

2011/12



Annual



Report

"Centre of Excellence"

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CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

Dear Stakeholder,

As the Executive Mayor of Overstrand Municipality I am privileged to present the municipality's Annual Report for the 2011/12 financial year.

As a document which reflects performance of the past financial year, any organisation's annual report is extremely valuable and helps to navigate the organisation through the obstacles and pitfalls of the past, to benchmark standards of performance and to set goals for improvement.

a) Vision

The year 2011 ushered in a new 5 year term of office of Council after the May 2011 Local Government elections. The new Council had the dual responsibility of overseeing the implementation of the 2011/12 final Integrated Development Planning (IDP) review of its predecessors for the 5 year cycle of 2006/2011 and also to initiate preparations to draft its strategic direction for the new Council's 5 year term of office for the period 2012/2017.

Our Vision "To be a centre of excellence for the community" was retained in the 2011/12 IDP review. The 2011/12 IDP review focused delivery on the following five strategic objectives:

- i) The provision of democratic and accountable governance
- ii) The provision and maintenance of municipal services
- iii) The management and conservation of the natural environment
- iv) Creation and maintenance of a safe and healthy environment
- v) Promotion of tourism, economic and rural development.

Our performance delivery on these strategic objectives is clearly cited in Chapter 3 of this report.



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Thirteen (13) new ward committees for the 5 year term (2012/2017) were successfully elected.

During the period under review there were changes in top management, where Mr. Coenie Groenewald took over as Municipal Manager on 1 January 2012, and his former position of Director Management Services was filled by Ms Desiree Arrison, the first woman appointed on this level. Fortunately, these change-overs went smoothly as both appointments were made out of our ranks and there was no need to allow time for finding feet.

This enabled us to compile and adopt a third generation Integrated Development Plan for Overstrand Municipality, covering the period from 2012 to 2017.

b) Key Policy Developments

- Census 2011 revealed that Overstrand Municipality is ranked 7th nationally and 3rd in the Western Cape with regard to population growth. This is putting pressure on the Municipality in terms of urban expansion, urban densification and the replacement of aging infrastructure.
- In this regard we are being directed by the Overstrand Municipal Growth Management Strategy, which overall objective is to provide a set of appropriate, area specific policy guidelines which can be used to proactively direct and manage growth through the implementation of urban densification and related measures that are sensitive to the character of the various towns and settlements.
- Special mention must be made of our low cost and GAP housing plan which will be implemented over a period of eight years.
- While a healthy economic growth has been experienced in the Overstrand for some time now, especially in tourism and agriculture and even during the recent downturn of events nationally and internationally, there is a need to broaden our economic base without harming our greatest asset - our natural beauty!
- Community participation in municipal affairs has become of great importance to the Municipality and we are proud of the system that has been put in place to evaluate the efficiency of ward committees based on information from our electronic document management systems. This has been used in a campaign to inform communities about their ward committees.
- Although the ward committee system was chosen as a national best practice, we are still facing a number of challenges, including the report back to constituencies, the recognition of

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ward committees as formal liaison bodies of communities and timeous submission and revision of Ward Committee projects.

c) Key Service Delivery Improvements

During the year under review we received a number of accolades that gave recognition to the hard work and excellent systems of the Overstrand Municipality and I would like to highlight a few of them:

- **Blue Flag status** for Grotto (11th year), Hawston (7th year) and Kleinmond (4th year) beaches for the 2012/13 holiday season. Grotto is the beach with the longest uninterrupted Blue Flag status in South Africa.
- **Blue Drop awards** in the 2012 evaluation:
 - ➔ The Franskraal Water Purification Works near Gansbaai received the national award for the most impressive smaller plant.
 - ➔ Overstrand Municipality as a whole received 96.82 per cent in the assessment and was placed 12th on the national list and fifth in the Western Cape. It is a remarkable improvement on last year's 90.56 per cent and 24th position nationally.
 - ➔ The plants that received Blue Drop awards this year were Hermanus (Preekstoel), Gansbaai (Franskraal), Buffelsrivier (Hangklip), Kleinmond and Pearly Beach.
 - ➔ Silver awards were given to Franskraal and Buffelsrivier for receiving the Blue Drop for a second consecutive year.
- Overstrand Municipality was the runner-up in its category of a competition for municipalities using the **SAMRAS Financial System**.

Some other achievements of the past year that I would like to highlight were:

- **The establishment of the Overstrand Tourism Advisory Committee**

A new tourism advisory body was formed, known as the Overstrand Tourism Advisory Committee (OTAC), its role is to advise Council on best practices to drive our Overstrand tourism strategy forward and to get this magnificent area transformed into an all year holiday destination.

Several meetings were held where subjects ranging from budgets, the role of tourism bureaus and the impact of festivals and events were discussed. Their aim is to get an even larger slice of the cake of tourists to visit our area – both from the local market and abroad.

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- **Water crises well managed**

The town of Hermanus experienced a severe drought situation for almost two years. By October 2010 it became clear that this situation must be extensively managed to prevent taps running dry. In response the municipality instituted water saving measures and investigated the development of alternative water sources.

The development of well fields, which was part of the area's long term water provision plan, was fast-tracked and by the end of the 2012/13 financial year two fully developed well fields will be linked to the provision system. Intensive investigations were launched into desalination and the recycling of waste water up to the level of drinking water and an application was launched to the Disaster Relief authorities to fund the costs of constructing the plant as a pre-emptive measure.

The Municipality intensified its programme to find leaks on its water network and rectify them as well as replace old and weak pipelines. The replacement of obsolete water meters was also fast-tracked and 2500 have been replaced by November 2012. Flow restrictors were installed at low cost houses in co-operation with ward committees. Fortunately, the 2012 rain season delivered above average rainfall and the dam filled up to 100 per cent capacity on 21 October 2012. Water restrictions had already been lifted in August 2012 when the De Bos Dam reached its 60 per cent level.

- **Catching up on infrastructure backlog**

Having been a traditional holiday and retirement area, Overstrand Municipality's infrastructure had not been developed to serve the demands of the much more densely populated area it is today. The backlog was estimated at R2,4 billion and we embarked on a 25 year upgrading programme which will require capital projects of between R100 to R200 million per year. This will require a major effort to bring about savings on the operational budget as funding possibilities from land sales and loans are limited. During the past 18 months **Hermanus water infrastructure** received most of the attention – with R85 million spent on the refurbishment of the water treatment plant, the development of well-fields and the construction of a bio-filtration plant to treat borehole water. Over the past five years Overstrand has replaced 55km of water pipelines. In the 2011/12 financial year R23 million was spent on this programme, resulting in water losses decreasing from 27.25% in 2008/09 to 20.36% by June 2012.

Electricity supply will be strengthened during the 2012/13 financial year with the construction of a new 66kW feeder station in Hermanus at a cost of R35 million.

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Major provincial road projects in the area will be supplemented with the construction of the first phase of the Municipality's Parallel Road project, which will in future be the main artery for public transportation in the area.

d) Public Participation

The ward committees and the Overstrand Municipal Advisory Forum (OMAF) are acknowledged as our official public consultation structures. These structures were engaged during 2011/12 to solicit public participation in the municipality's IDP and Budget compilation processes as well as on other policy developments.

e) Future Actions

Striving towards a clean audit

Of great importance with the release of this annual report is the fact that the Municipality received an unqualified audit report for the sixth consecutive time. Congratulations to all, especially the Municipal Manager and the officials of the Finance Directorate, with this result.

We worked hard towards obtaining a so-called '*clean audit*', and we have accepted the reasons why it was not awarded and have already started with the process to address internal control deficiencies relating to *asset management* and *compliance with laws and regulations* as well as to establish adequate internal review procedures to identify and correct *material mis-statements in the financial statements* and underlying records before they are submitted for audit.

We are also planning an Audit '*post-mortem*' meeting to discuss, plan and put mechanisms in place to obtain clean audits in respect of the current and subsequent financial years. Our current processes and procedures and the way in which we operate, will be clinically reviewed and, if necessary, unpopular decisions will be taken to reach our goal.

f) Agreements / Partnerships

During the 2011/12 financial year the municipality established and strengthened our partnerships through our grants-in-aid programme, whereby 22 grants to the value of R730 000 were awarded to qualifying organisations in Overstrand. This process was guided by our Grants-in-Aid Policy based on section 67 of the Local Government: Municipal Finance Management Act, 2003 which requires from a municipality to ensure that certain criteria and conditions are met before funds are transferred to an organisation outside any sphere of government, otherwise than in compliance with a commercial transaction. The opportunity was advertised in the local media, all applications were evaluated,

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agreements signed with the successful applicants and feedback on the utilisation of the funds was required.

g) Conclusion

Many more needs and challenges are revealed in this annual report and with the current slowdown in the economy it is not going to be easy to address them. Difficult decisions will have to be taken and I am calling on the Overstrand community to support us in this effort, which will eventually be to the benefit of us all.

In this regard I must mention the valued participation and inputs of ward committees, the Overstrand Municipal Advisory Forum (OMAF), sector departments and the administration. To be a '*centre of excellence for the community*' requires a collaborative effort from all stakeholders. I am confident that by working together we will draw closer and closer to this ideal. My open door policy remains. I do not want to do the work of the administration or my fellow councilors, but please do not crop up frustration or go into some sort of action before consulting with me about possible solutions to an impasse.

Lastly, I would like to thank the Municipal Manager and his directors for the professional leadership they are providing. Undoubtedly, this Municipality's human resources are a major pillar of strength.

Nicolette Botha-Guthrie
EXECUTIVE MAYOR

23 January 2013

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COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview



The 2011/12 financial year concluded the five year cycle of the 2006/2011 Integrated Development Plan (IDP). The final IDP review of this cycle was adopted by Council in May 2011. The implementation of the 2011/12 IDP review was concluded on 30 June 2012. The attainment of the IDP targets for the 2011/12 IDP review was successfully measured through the performance management tool, the Service Delivery and Budget Implementation Plan (SDBIP) cited in chapter 3 of this report.

Based on the financial performance cited in chapter 5 (section 5.5) of this report, the Overstrand Municipality succeeded to maintain a sound financial position in the 2011/12 financial year. The municipality's liquidity ratio increased from 1.06 in 2010/11 to 2.33 in 2011/12. In laymen's terms the financial ratios cited on page 261 indicate that Overstrand had adequate funding to cover our daily expenses and deliver on our service delivery mandate. Sound financial management will remain a priority in the future as we foresee pressure on our financial resources due to escalating service delivery needs from our community concomitant with the impact of the global financial and economic crisis on the South African

economy.

The below average rainfall in the Greater Hermanus Area over the past two years, posed a challenge. The municipality responded by identifying water conservation and water demand management as a key priority in our turn-around strategy for 2011/12. The municipality is confident that the municipal actions identified in the turn-around strategy will avert major water shortages in the long term.

Notable service delivery performance for the year under review include (i) the municipality ranked 5th in the provincial blue drop log position, our blue drop score increased from 90.56 in 2010/11 to 96.82 in 2011/12, five (5) water treatment works of the municipality achieved blue drop status from

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the Department of Water Affairs; (ii) a waste water treatment works achieved green drop status; (iii) three bathing beaches were awarded the international blue flag beach status; (iv) public participation through the ward committees were strengthen with an average of 9 out of 10 ward committee members attending their ward meetings; (v) an application was submitted to the Provincial Justice Department requesting an additional court dealing in municipal matters, (vi) the local economy was stimulated through the development of economic spaces (townships) funded by the Neighborhood Development Partnership Grant from National Treasury, Capacity building programmes were introduced to support local entrepreneurs and (vii) we also embarked on a programme to develop our informal settlements (water, sanitation and roads) and upgrading work commenced in Masekhane, Die Kop (Stanford), Mandela Square (Zwelihle) and Hawston.

Overall service delivery was strengthened through the development of consumer service charters for the water and sanitation (sewerage), solid waste management, roads and storm water departments. These charters have been included in the Integrated Development Plan (IDP) 2012/2017 under Chapter 8 in respect of Service Level Agreements. Consumer service charters consist of various standards of quality service to be rendered by the particular departments.

Two changes to the top management structure occurred with no disruptions to the functionality of the organization. Internal career advancements afforded the opportunity for the appointment of Ms. Desiree Arrison as Director: Management Services (*former position: Senior Manager: Strategic Services*) and myself to be appointed as Municipal Manager (*former position: Director: Management Services*). Overstrand municipality takes pride in the political and administrative stability maintained during the period under review.

The municipality achieved in obtaining an unqualified audit opinion by the Auditor-General for the sixth consecutive year. A clean audit is a key priority for the next financial year.

As this annual report reflects on Overstrand Municipality's performance and challenges persevered for the 2011/12 financial year, I extend my sincere appreciation to all staff and Council for their dedication and contribution to deliver on our Vision "*To be a centre of excellence for the community*".

Coenie Groenewald
MUNICIPAL MANAGER

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1.2 Municipal Overview

This report addresses the performance of the Overstrand Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2011/12 Annual Report reflects on the performance of the Overstrand Municipality for the period 1 July 2011 to 30 June 2012. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual Report for each financial year.

1.2.1 Vision and Mission

The Overstrand Municipality committed itself to the following vision and mission:

Vision:

"To be a centre of excellence for the community"

Mission:

"To deliver optimal services in support of sustainable economic, social and environmental goals"

1.3 Municipal Functions, Population and Environmental Overview

1.3.1 Population

The municipality is estimated to account for 80 432 or 31.15% of the Cape Overberg District's population of 258 176 in 2011.

a) Total Population

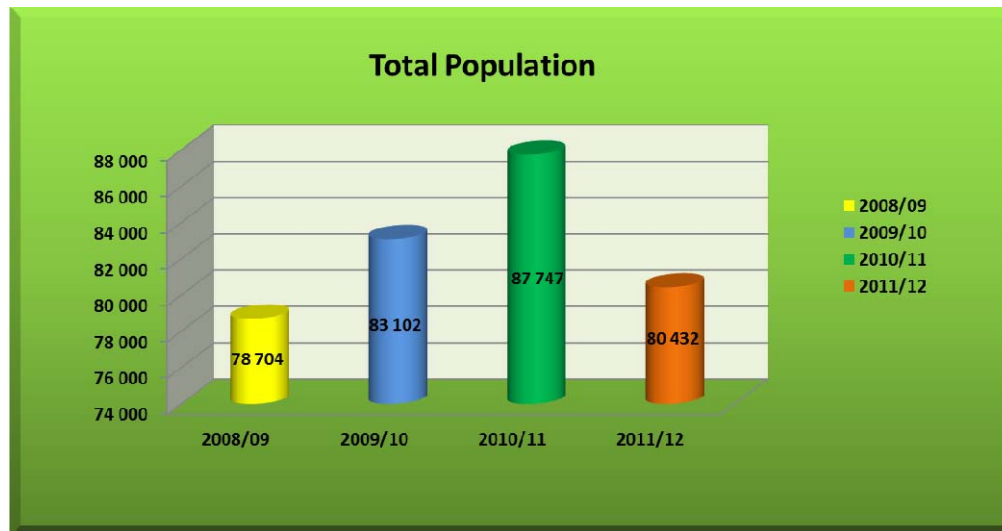
The table below indicates the total population within the municipal area:

2008/09	2009/10	2010/11	2011/12
78 704	83 102	87 747	80 432*
<small>Source: Western Cape Department of Social Development Population Projections Populations projected as at 14 February of 2008, 2009 and 2010. *Stats SA Census, 2011</small>			

Table 1.: Demographic information of the municipal area – Total population

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The graph below illustrate the yearly population growth for the municipal area.



Graph 1.: Total Population Growth

b) Population profile

Age	2010/11*			2011/12 **		
	Male	Female	Total	Male	Female	Total
Age: 0-9	6 600	6 175	12 775	6 087	6 090	12 177
Age: 10-14	2 402	2 663	5 065	2 557	2 541	5 098
Age: 15-19	2 551	2 2252	24 803	2 455	2 681	5 136
Age: 20-24	2 852	2 878	5 730	3 321	3 209	6 530
Age: 25-39	7 923	8 739	16 662	10 890	9 984	20 874
Age: 40- 54	5 750	6 620	12 370	6 407	6 522	12 929
Age: 55-69	5 066	6 180	11 246	5 114	5 896	11 010
Age: 70-84	2 756	2 563	5 319	2 690	3 174	5 864
Age: 85+	50	528	578	267	548	815

Source: Stats SA Community Survey 2007, Census 2011
 * Western Cape Department of Social Development Population projected as at 14 February of 2008, 2009 and 2010
 **Stats SA Census, 2011

Table 2.: Population profile

1.3.2 Households

The total number of households within the municipal area decreased from **31 357** households in the 2010/11 financial year to a total of **31 328** households in the 2011/12 financial year. This indicates a decrease of 0.09% in the total number of households within the municipal area over the two years.

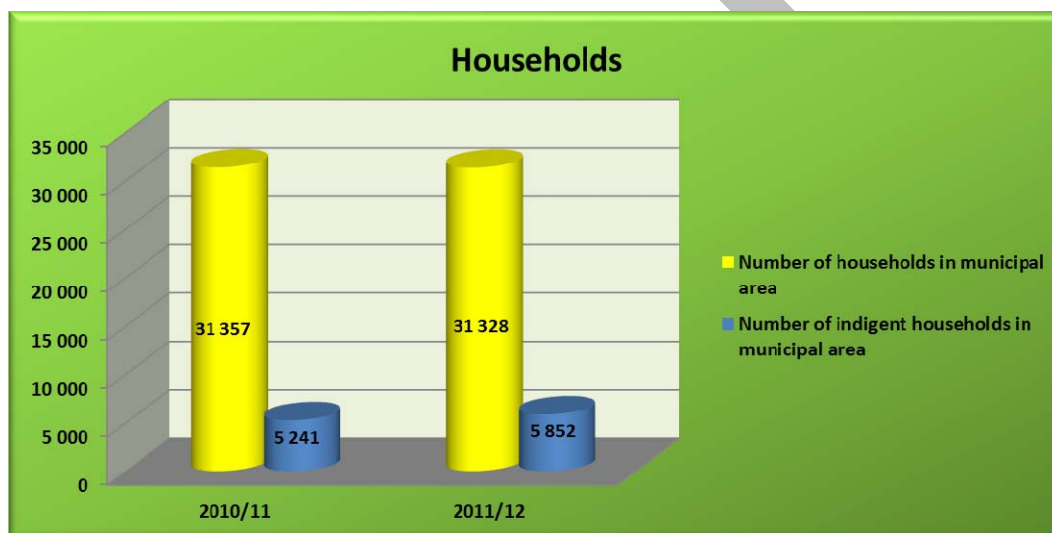
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Households	2010/11	2011/12
Number of households in municipal area	31 357	31 328
Number of indigent households in municipal area	5 241	5 852

Source: Overstrand financial system

Table 3.: Total number of households

The graph below shows that the total number of indigent households increased from 5 241 households in 2010/11 to 5 852 households in the 2011/12 financial year. This indicates an increase of 11.65% in the total number of indigent households within the municipal area over the two years



Graph 2.: Total number of households

1.3.3 Socio Economic Status

Financial year	Housing Backlog	Unemployment Rate	People older than 14 years illiterate	HIV/AIDS Prevalence	Urban/rural household split
2010/11	5 945	24.1%	15.5%	20.90%	91.2/8.8 %

Table 4.: Socio Economic Status

1.3.4 Demographic Information

Municipal Geographical Information

Overstrand Municipality is located along the south western coastline of the Overberg District Municipal area bordering the City of Cape Town in the west and Cape Agulhas Municipality in the east. Its northern neighbour is Theewaterskloof Municipality.

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The municipality covers a land area of approximately 2125km², with a population density of 41 people per square kilometre and covers the areas of Hangklip/Kleinmond, Greater Hermanus, Stanford and Greater Gansbaai. The municipal area has a coastline of approximately 200 km, stretching from Rooi Els in the west to Quinn Point in the east.

In addition to the endless, pristine beaches dotting the coastline, the Overstrand boasts 3 Blue Flag beaches. Tourism is a major economic driver in the area and its popularity as a holiday destination results in a fourfold increase of its population over the holiday seasons.

Wards

The municipality is structured into the following 13 wards:

Ward	Areas
1	Kleinbaai, Franskraal and Masakhane
2	Blompark, Gansbaai and De Kelders
3	Hermanus
4	Westcliffe, Mount Pleasant and Hemel-en-Aarde Valley
5	Zwelihle South (Community Hall)
6	Zwelihle North (Lukhanyo Primary School and Hou Moed)
7	Sandbaai
8	Hawston, Fisherhaven and Honingklip
9	Kleinmond and Proteadorp East
10	Proteadorp West, Overhills, Palmiet, Betty's Bay, Pringle Bay and Rooi Els
11	Stanford, Baardskeerdersbos, Pearly Beach, Viljoenshof and Withoogte
12	Zwelihle North-West
13	Onrusrivier and Vermont

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Below is a map that indicates the wards of the Municipality in the Overberg District area:



Figure 1.: Overstrand Area map

Gansbaai

Gansbaai is situated in the centre of a number of small bays with miles of unspoiled beaches, fynbos rich nature reserves, ancient milkwood forests, historically significant caves and breath-taking sea views.

Shark cage diving has become synonymous with Gansbaai and specialised boats leave from the Kleinbaai harbor daily so that extreme adventure seekers can have close encounters with great white sharks.

Gansbaai is the business and industrial centre of the Greater Gansbaai region. Fishing is the main commercial activity and marine based industry includes abalone farms and a fishery. The property development sector is expanding and the hospitality industry brings much needed revenue to the area.

With the fertile Baardskeedersbos valley, the fresh water caves at De Kelders, the white sands of Pearly Beach, the jackass penguins at Dyer's Island and the renowned Shark Alley, Gansbaai is truly a uniquely attractive region within Overstrand Municipality.

Kleinmond/Hangklip

The Kleinmond- Hangklip coastal area including of Betty's Bay, Hangklip, Pringle Bay and Rooi Els has the unique status of being situated in the Kogelberg Biosphere Reserve which was the first UNESCO designated biosphere reserve in South Africa. Biosphere reserves are tasked with becoming role-models of sustainability and demonstrate the balance between people and the environment to the benefit of both.

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Kleinmond has an active harbour and many commercial fishermen make their living along the Hangklip coastline. Whether it's hiking in the biosphere reserve with its 1 800 floral species, a visit to the Stony Point penguin colony, a tour of the Biosphere Eco-Centre in Rooi-Els, a picnic in the Harold Porter Botanical Gardens, shopping and sundowners in Kleinmond's quaint Harbour Road, a day on the beach with family and friends, or a fleeting glimpse of the heard of wild horses roaming the dunes, eco-tourism is quite definitely the economic life-blood of this scenically magnificent and environmentally sensitive area of the Overstrand

Hermanus

In the past decade Hermanus has established itself as the business and cultural heart of the Overstrand. Although it may have shed its sleepy holiday town image and is able to boast a modern infrastructure, sophisticated specialty shops, shopping centres and restaurants to rival the best in the world, Hermanus has managed to retain the charm of its fishing village heritage. Hermanus is situated between sweeping mountains and the sparkling Atlantic Ocean

and is only a short scenic 1½ hrs (140 km) drive from Cape Town.

Tourism is a main contributor to the economy of Hermanus and businesses catering for the robust hospitality industry are plentiful. Visitors to the town can choose from over 100 accommodation options ranging from up market B&B's, guesthouses, luxury resorts and



boutique hotels to budget priced self-catering and back-packer establishments.

Hermanus is known as the best land based whale watching destination in the world and

from June through to December each year thousands of tourists visit our shores to marvel at the magnificent southern right whales as they splash and romp and nurture their newborn calves. Whale watching cruises depart from the New Harbour daily and flights to view the giants of the deep from the air are also very popular. The Hemel-en-Aarde wine route is one of the latest attractions to be registered as an official wine route.

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Hermanus has a well-developed industrial area and over the last 10 years enjoyed growth in the building sector with security villages, private homes, holiday resorts and commercial and retail property development projects adding to the economic wealth of the area. Hermanus is also a leader in commercial abalone farming and development of further aquaculture farms is anticipated. Agriculture, manufacturing, wholesale and retail businesses, financial and investment companies and the wine industry also contribute significantly to the economic prosperity.

The Administrative head office of the municipality is also situated in the Centre in Hermanus.

Stanford

Stanford is essentially a farming community with the Klein River meandering through lush fields and village homes built along its banks. The rural atmosphere of the old village with its many historical features has been retained and preserved thanks to the foresight of the Stanford Conservation Trust and the Stanford Heritage Committee.

Stanford has a peaceful and quiet charm which has drawn many people from the city in search of the quality of life a small village offers. Many of the old homes have been renovated and restored and countless new homes have been built in Stanford in the past decade. They all prescribe to the "Stanford Style" so that the unique character of the village is maintained.

Stanford's economy is driven by tourism, the wine estates, the commercial harvesting of fynbos, farming and smaller businesses like estate agencies and grocery shops, which offer services to the community. Stanford is very much a horse riding community and hosts a number of riding shows and gymkhanas in the village

Key Economic Activities

The main economic drivers in the municipal area are:

Key Economic Activities	Description
Tourism	The Overstrand municipality is well known for its natural beauty, excellent tourism products providing pleasure for the tourist. It is renowned as the best land-based whale watching and shark cage diving experiences. Overstrand is a host to the second largest African penguin colony and home to the best Eco-tourism adventures. Tourism remains key to economic prosperity in the area.
Aquaculture / Agriculture	Overstrand hosts the largest part of the Province's blossoming aquaculture industry – Aquaculture plays a key role to economic development in the area.
Manufacturing	This sector is key to addressing unemployment in the Overstrand area. The manufacturing sector in the municipality has expanded strongly and created jobs on a net basis.

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Key Economic Activities	Description
	The agri-processing industry accounted closely to half of all manufacturing activities – putting a strong growth performance.
Finance, real estate and business services	This is the largest sector in the area which grew the fastest and created a significant number of jobs and contributed the largest in the GDP of the Overstrand.
Secondary service industry	This sector has had significant growth over the years due to demand in services, support and information to deal with growing development demands in line with increasing population.

Table 5.: Key economic activities

1.4 Service Delivery Overview

During the year under review the municipality made the following contributions to satisfy basic requirements:

a) Local Economic Development

Enterprise and Emerging Contractor / Service Provider Support

- ➔ Provide one-stop facility to assist entrepreneurs with:
 - Access to information;
 - Tender requirements;
 - Tax clearance;
 - Business registration / deregistration;
 - Business Planning; and
 - Linkage with other support services.
 - ➔ Capacity Building and Support in terms of:
 - Mentoring;
 - Networking; and
 - Training and development.
 - ➔ Infrastructure / Facilities created for:
 - Development of economic zones; and
 - Stalls / facilities to operate businesses.
 - ➔ Regeneration for:
 - Planning economic spaces more especially in townships; and
 - Revitalisation of towns
 - ➔ Outreach
-

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- Community outreach and support of community initiatives building local communities.

b) Infrastructure

Housing

The municipality developed a five year Housing Implementation Programme. As part of the programme, 411 new houses were delivered in Kleinmond.

Electricity

The municipality provided electricity to all formal households in Kleinmond, Greater Hermanus, Stanford, Greater Gansbaai and Pearly Beach. The rest of the municipal area is supplied by ESKOM. The municipality is also rolling out electricity to households in informal areas in increments. During the year under review, the municipality supplied 225 GWh of electrical energy to its consumers.

Local planning and building control

The municipality provides full town planning and building control functions in its area. During the year under review, 288 town planning applications and 1 406 building plans were processed.

c) Community Services

Water

- ➔ Achieved blue drop status for 5 Water Treatment Works (WTW) from the Department of Water Affairs (DWA), namely: Buffelsrivier, Kleinmond, Preekstoel, Franskraal, and Pearly Beach.
- ➔ Five operators from the WTW successfully completed DWA accredited training (2 operators completed NQF2 and 3 operators NQF3 respectively).

Refuse

The successful cleaning of PDA (including informal settlements) on a sustainable manner through the formal procurement of 11 cleaning contractors.

Roads

The effective roll-out of the road-reseal programme in terms of which 171,344m², were maintained.

Beaches

Three bathing beaches were awarded International Blue Flag beach status, namely Kleinmond, Hawston and Grotto. The respective statuses were maintained for the duration of the blue flag season, from 1 December 2011 until 31 March 2012.

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1.4.1 Basic services delivery performance highlights

Highlight	Description
Blue drop status	Awarded to 5 plants, also best small plant in the country
Budget management	Actual spending of 106% of operational budget
Reaction time to complaints	90% of service requests completed within one month

Table 6.: Basic Services Delivery Highlights

1.4.2 Basic services delivery challenges

Service Area	Challenge	Actions to address
Water & sewerage	Aging infrastructure	Increase maintenance (operational funding)
All basic services	Vandalism	Educational programmes
Sewerage	Blockages	Educational programmes
Water	High water losses	Pipe replacement programme

Table 7.: Basic Services Delivery Challenges

1.4.3 Proportion of Households with access to Basic Services

Proportion of Households with minimum level of basic services		
Description	2010/11	2011/12
Electricity service connections	100%	100%
Water - available within 200 m from dwelling	100%	100%
Sanitation - Households with at least VIP service	100%	100%
Waste collection - kerbside collection once a week	100%	100%

Table 8.: Households with minimum level of Basic Services

1.5 Financial Health Overview

1.5.1 Financial Viability Highlights

Highlight	Description
Outstanding debtors recovered	Recovered 99.3%

Table 9.: Financial Viability Highlights

1.5.2 Financial Viability Challenges

Challenge	Action to address
Due to the current economic climate we endeavour	Applying Strict credit control measures

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Challenge	Action to address
not to increase the outstanding debtors	

Table 10.: Financial Viability Challenges

1.5.3 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

KPA& Indicator	2010/11	2011/12	Comments
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	26.5	18.45	Coverage is adequate
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	13.6	12.6	The decrease indicates positive movement
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	3,8	5.83	Cost coverage is adequate

Table 11.: National KPI's for financial viability and management

1.5.4 Financial Overview

Details	Original budget	Adjustment Budget	Actual
	R		
Income			
Grants	90 962 000	84 873 000	95 422 704
Taxes, Levies and tariffs	549 816 000	545 316 000	543 175 974
Other	50 442 000	55 148 000	49 968 796
Sub Total	691 220 000	685 337 000	688 567 474
Less Expenditure	728 432 000	727 404 000	762 272 868
Net surplus/(deficit)	(37 212 000)	(42 067 000)	(73 705 394)

Table 12.: Financial Overview

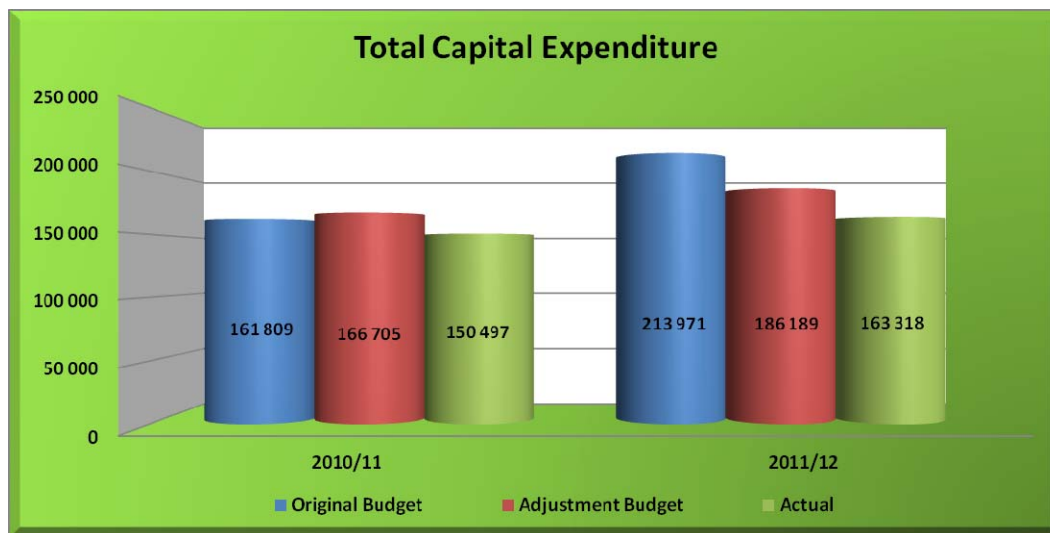
1.5.5 Total Capital Expenditure

Detail	2010/11	2011/12
	R'000	

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Detail	2010/11	2011/12
	R'000	
Original Budget	161 809	213 971
Adjustment Budget	166 705	186 189
Actual	150 497	163 318

Table 13.: Total Capital Expenditure



Graph 3.: Total Capital Expenditure

1.6 Organisational Development Overview

1.6.1 Municipal Transformation and Organisational Development Highlights

Highlights	Description
Disciplinary Code and Procedure Training	A total number of 70 Supervisors and Managers was trained to understand and apply the Disciplinary Code and Procedures as per Bargaining Council Agreement
Establishment of Emergency Evacuation Plan	Plan and Procedures finalized and to be tabled at the Health and Safety Meeting on 31 st August 2012
Installation and servicing	All outdated Fire Extinguisher was identified and serviced. A register is now also maintained of fire extinguishers
TASK Job Evaluation	96% of all post are evaluated and audited on the TASK Job Evaluation System and a TASK job evaluation committee was established in-house
MFMA training	2 groups of 30 employees already completed their training and the third group of 26 employees are in the process of being trained
Learning Organization	Each year training budget is fully spent in terms of amount budget for. Training objectives and IDP objectives are aligned
Local Labour Forum and Training Committee	Well established committees that meet on a regular

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Highlights	Description
	basis

Table 14.: Municipal Transformation and Organisational Development Highlights

1.6.2 Municipal Transformation and Organisational Development Challenges

Description	Actions to address
Sound labour relations with specific reference to the availability of initiators and chairpersons for disciplinary hearings, is a challenging aspect of the code.	To provide training, workshops and refresher courses to all relevant role players.
Management of sick leave	To provide training to all relevant role players in the managing of sick leave and the procedure regarding disability/incapacity. In-house awareness campaigns informing all employees of the importance of managing sick leave for the purpose of organizational effectiveness as well as the benefit of individual employees.
To implement an effective and efficient Performance Management System to all levels of the organization that will enhance service delivery and development of employees.	Training of all relevant parties. The identification of Performance Management Champions in each Directorate.
Establishment of a well organised, effective and efficient archive system for HR	Close communication with National Archives and continued training of employees.

Table 15.: Municipal Transformation and Organisational Development Challenges

1.7 Auditor General Report

In 2005/06 Overstrand Municipality received an adverse opinion from the Auditor-General due to non-compliance with GRAP compliance. The opinion received from the Auditor-General has been unqualified for the last six financial years, from 2006/07 to date.

In order to maintain and improve on these outcomes, the municipality implemented the following measures:

1. Developed an audit action plan in order to identify, implement and actively monitor the root causes of all audit findings reported by the Auditor-General at the management report level.
2. Identified and appointed an audit champion in order to ensure that all audit related communication was directed to the appropriate responsible officials.
3. Developed a transparent, professional working relationship with the Auditor-General in order to ensure that the municipality's objectives are achieved.
4. Developed and implemented measures in collaboration with the Auditor-General in order to identify, implement and actively monitor inefficiencies in the audit process.
5. Developed and implemented measures in collaboration with the Auditor-General in order to identify, implement and actively monitor the audit cost.

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These measures were implemented with the goal of achieving effective corporate governance through accountability. The objective of these controls is to ensure that the Overstrand Municipality maintains and progressively improves its control environment in order to ensure that the strategic objectives assigned in terms of S217 of The Constitution, 1996 is achieved with the view of maintaining a clean administration and further enhancing service delivery through implementing the principles of Batho Pele and making a positive contribution to ensuring that the National Strategic Objectives are achieved.

Chapter 6 provides details of the audit findings for the 2010/11 and 2011/12 financial years respectively.

1.7.1 Audited Outcomes

Year	2007/08	2008/09	2009/10	2010/11	2011/12
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

Table 16.: Audit Outcomes

1.8 2011/12 IDP/Budget Process

The table below provides details of the key deadlines for the 2011/12 IDP/Budget process:

Activity	Responsible person	Date	Budget
Council to approve 2011/2012 IDP/Budget Process plan	Budget Office / Strategic Office	July	n/a
Review status of capital projects currently on data-base (DB4)	Budget Office	July	CAPEX
Council strategic session	Strategic Office	August	n/a
Officials strategic session	Strategic Office	August	n/a
Ward Committees receive and review list of previous project proposals not included in budget (wish lists)	Ward Committee / Area Managers	August	CAPEX
Ward Committees asked to identify new projects onto the OS3 list	Area Managers	August	CAPEX
Area Managers to submit OS3 list from Wards to Strategic Office	Area Managers	August	CAPEX
Strategic office to submit OS3 list to the Budget Office	Strategic Office	August	CAPEX
Managers submit capital projects requests including cash flows to Directors	Managers	September	CAPEX
Possible OS1 capital projects identified and sent to Directors	Managers	September	CAPEX
Directorates to be provided with the current Opex Budget which are to be used	Budget Office	September	CAPEX

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Activity	Responsible person	Date	Budget
as a base for budget requests/forecasts			
Meet with managers to review 2010/11 OPEX budget and any implications for the next year (growth/savings/transfers)	Managers/Budget Office	October	OPEX
Mayoral Speech tabled at Mayoral Committee, future direction and priority areas to guide IDP plans and budget allocations and gives indicative size of operational and capital budgets	Mayoral Committee	October	OPEX / CAPEX
Directorates to prioritise departmental capital project proposals and send capital project lists with priorities to Budget Office.	DIRECTORS (Community Services, LED, Infrastructure, Finance, Management Services)	October	CAPEX
Ward Committees meet and prioritise their list of OS3 capital projects	Ward Committee / Area Managers	October	CAPEX
Area Managers to submit OS3 priorities to the Budget Office	Area Managers	October	CAPEX
Special EMT to agree initial way forward on 2011/12 Budget	EMT	November	OPEX
Managers to submit 2011/12 and the other 2 indicative years operational budget requests to the Budget Office	Managers	November	OPEX
Directorates to submit request for new posts/staff to the Salary Office	DIRECTORS (Community Services, LED, Infrastructure, Finance, Management Services)	November	OPEX
Joint OMAF/ Ward Committees/ Councilors discussion on capital project proposals	OMAF/Ward Committees/Councilors/Managers/Directors	November	CAPEX
Mayoral Review Panel to meet managers individually to discuss budget requests and to challenge OPEX budget position	Mayoral Review Panel	November	OPEX
Budget Office to compile summary of all operational budget requests and send to managers and directors for verification	Budget Office	January	OPEX
Mayoral Review Panel to meet managers individually to discuss capital budget requests	Mayoral Review Panel	January	OPEX
Budget Office compile summary of capital request and send to managers and directors for verification	Budget Office	January	CAPEX

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Activity	Responsible person	Date	Budget
Last opportunity for directors & managers to submit any CHANGES/AMENDMENTS to Opex & Capex	Directors & Managers	February	OPEX / CAPEX
Budget Office compile OS3 summary of capital request and send to Ward Committees for final verification	Budget Office & Area Managers	February	CAPEX
Joint OMAF/ Ward Committees/ Councilors discussion on capital project proposals	OMAF/Ward Committees/Councilors/Managers/Directors	March	CAPEX
Budget Office compile Draft Budget Report	Budget Office	March	OPEX / CAPEX
Draft IDP/Budget tabled at Council (via Finance Portfolio Committee and Mayoral Committee)		March	OPEX / CAPEX
Advertise Draft IDP& Budgets for comments	Budget Office / Strategic Office	April	n/a
Submission of Annual Draft Budget and IDP for representation to National and Provincial Treasury any other prescribed organs of state.	Budget Office / Strategic Office	April	OPEX / CAPEX
Summarize all community feedback and distribute to the relevant stakeholders for consideration to be included in the Final Budget report	Budget Office	May	n/a
Approval of IDP and Budget by Council	Budget Office / Strategic Office	May	n/a
Submission of Final Budget and IDP to National and Provincial Treasury.	Budget Office / Strategic Office	June	n/a
Preparation of the Annual Report	Budget Office / Strategic Office	Aug - Nov	n/a
Preparation and submission of annual financial statements	Budget Office / Strategic Office	August	n/a
Compilation of SDBIP	Strategic Office / Finance	May - Jun	n/a
Approval of SDBIP by Executive Mayor	Strategic Office	June	n/a

Table 17.: 2011/12 IDP/Budget Process

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CHAPTER 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2.1 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2010/11	2011/2012
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (After roll over projects)	94%	91.8%

Table 18.: National KPIs - Good Governance and Public Participation Performance

2.2 Performance Highlights - Good Governance and Public Participation

Highlight	Description
Second most productive local municipality in the Municipal Productivity Index (MPI)	Overstrand has been named as the second most productive local municipality in Municipal IQ's fifth annual Municipal Productivity Index (MPI) for the 2010/11 financial year
Ward Committee establishment	Ward committee elections held in all 13 wards within 3 weeks of the municipal election
High attendance of regularly held meetings in accordance with a predetermined meeting cycle	Ward Committee, Portfolio, Mayoral and Council meetings are scheduled for a year in advance and a high attendance figure is achieved. Also LLF, Training, Top Management and EMT meetings

Table 19.: Good Governance and Public Participation Performance Highlights

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2.3 Challenges - Good Governance and Public Participation

Description	Actions to address
Well-functioning ward committees	Provide training, review policies reviewed and implement, enhanced administrative support to ward committees and payment of out of pocket expenses.

Table 20.: Good Governance and Public Participation Challenges

2.4 Governance Structure

2.4.1 Political Governance Structure

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councilors are also actively involved in community work and the various social programmes in the municipal area.

a) Council

Below is a table that categorised the councillors within their specific political parties and wards for the 2011/12 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Nicolette Botha-Guthrie	Executive Mayor	DA	Proportional	100	n/a
Anton Coetsee	Speaker	DA	Proportional	100	n/a
Moiria Opperman	Councillor	DA	Proportional	100	n/a
Johannes Januarie	Councillor	N.I.C.O	Proportional	81.8	50
Mercia Andrews	Councillor	DA	Proportional	81.8	100
Phillipus May	Councillor	ANC	Proportional	100	n/a
Abraham Prins	Councillor	DA	Proportional	100	n/a
Makhaya Ponoane	Councillor	ANC	Proportional	90.9	100
Maurencia Gillion	Councillor	ANC	Proportional	81.8	100
Caroline Mandindi	Councillor	ANC	Proportional	90.9	100
Marilyn Pie	Councillor	ANC	Proportional	90.9	100

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Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
Mpumelelo Sobantu	Councillor	DA	Proportional	100	n/a
Philippus Appelgrein	Ward Councillor	DA	9	100	n/a
Lianda Beyers – Cronje	Ward Councillor	DA	4	81.8	100
Mzameni Mshenxiswa	Ward Councillor	ANC	5	100	n/a
Dudley Coetzee	Ward Councillor	DA	11	100	n/a
Elzette Nell	Ward Councillor	DA	13	90.9	100
Pieter Scholtz	Ward Councillor	DA	2	81.8	100
Rudolph Smith	Ward Councillor	DA	8	90.9	100
Ben Solomon	Ward Councillor	DA	7	90.9	100
Vuyani Macotha	Ward Councillor	ANC	12	100	n/a
Ntombizinee Sapepa	Ward Councillor	ANC	6	90.9	100
Lisel Krige	Ward Councillor	DA	10	90.9	100
Mageret Lerm	Ward Councillor	DA	3	90.9	100
Nomaxesibe Nqinata	Ward Councillor	ANC	1	90.9	100

Table 21.: Council Meetings

b) Mayoral Committee

The Executive Mayor of the Municipality, **Councillor Nicolette Botha-Guthrie** assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July to 30 June 2012:

Name of member	Capacity
CIlr N Botha-Guthrie	Executive Mayor
Ald P Scholtz	Executive Deputy Mayor & Chairperson of

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Name of member	Capacity
	Infrastructure & Planning Portfolio Committee
Cllr B Solomon	Chairperson of Finance & Economic Development Portfolio
Cllr P Appelgrein	Chairperson of Management Services Portfolio
Cllr R Smith	Chairperson of Community Services Portfolio
Cllr M Opperman	Chairperson of Protection Services Portfolio

Table 22.: Mayoral Committee Members

c) Portfolio Committees

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision making powers. Just like Section 80 committees they can also make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees for the 2011/16 Mayoral term and their Chairpersons are as follow:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Portfolio Committee: Infrastructure and Planning	Pieter Scholtz	80	9	23 August 2011 20 September 2011 18 October 2011 22 November 2011 21 February 2012 20 March 2012 17 April 2012 22 May 2012 19 June 2012
Portfolio Committee: Management Services	Phillipus Appelgrein	80	9	23 August 2011 20 September 2011 18 October 2011 22 November 2011 21 February 2012 20 March 2012 17 April 2012 22 May 2012 19 June 2012

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Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Portfolio Committee: Finance and Local Economic Development	Ben Solomon	80	9	23 August 2011 20 September 2011 18 October 2011 22 November 2011 21 February 2012 20 March 2012 17 April 2012 22 May 2012 19 June 2012
Portfolio Committee: Protection Services	Maira Opperman	80	9	23 August 2011 20 September 2011 18 October 2011 22 November 2011 21 February 2012 20 March 2012 17 April 2012 22 May 2012 19 June 2012
Portfolio Committee: Community Services	Rudolph Smit	80	9	23 August 2011 20 September 2011 18 October 2011 22 November 2011 21 February 2012 20 March 2012 17 April 2012 22 May 2012 19 June 2012
Oversight	Maurencia Gillion	79	1	28 March 2012
Committee On Fruitless And Wasteful Expenditure	Anton Coetsee	79	2	21 December 2011 27 June 2012
Disciplinary Committee	Scholtz Pieter	79	2	29 February 2012

Table 23.: Portfolio Committees

2.4.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

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Name of Official	Department	Performance agreement signed
		Yes/No
Coenie Groenewald	Municipal Manager	Yes
Desiree Arrison	Management Services	Yes
Henk Kleinloog	Finance	Yes
Solomzi Madikane	LED	Yes
Neville Michaels	Protection Services	Yes
Roderick Williams	Community Services	Yes
Stephen Muller	Infrastructure & Planning	Yes

Table 24.: Administrative Governance Structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Explain the various contributions to service delivery offered by those involved.

2.5 Intergovernmental Relations

2.5.1 Provincial Intergovernmental Structures

We participate at the following forums:

- ➔ MIG Manager/Municipality Coordination Meetings – Western Cape Department of Local Government
- ➔ Overberg Bilateral Meeting – Department of Water Affairs
- ➔ The Provincial Transport Technical Committee (ProvTech) – Western Cape Department of Transport and Public Works
- ➔ The Provincial Transport Committee (ProvCom) – Western Cape Department of Transport and Public Works
- ➔ Integrated Waste Management Forum – Western Cape Department of Environmental Affairs and Development Planning
- ➔ Western Cape Recycling Action Group – Western Cape Department of Environmental Affairs and Development Planning
- ➔ Municipal Infrastructure and Related Services Working Group – SALGA
- ➔ Working for Water: Implementing Agent Managers Forum – National Department of Environmental Affairs

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- ➔ the preparation, implementation and review of the IDP;
- ➔ establishment, implementation and review of the performance management system;
- ➔ monitoring and review of the performance, including the outcomes and impact of such performance; and
- ➔ preparation of the municipal budget.

2.6.1 Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Advisory Forum (OMAF)	06 December 2011	22	17	31	Ward Committees
Advisory Forum (OMAF)	30 March 2012	23	22	42	Ward Committees
Advisory Forum (OMAF)	23 May 2012	24	16	35	Ward Committees
Ward Committee	Quarterly	2 per ward 1 Elected 1 Proportional	4 per ward	±4	Four meetings per annum during normal office hours
Ratepayers' & Residents' Associations	Arranged as per request/ need	1 Elected 1 Proportional	1 Area Manager	12 – 15	After hours as per request/ required
Health & Welfare Association	Quarterly	1	1 Area Manager	8 – 12	Weekdays (after hours)
Social Compact (Housing)	Monthly	1	3 – Area Manager, Admin Assistant & Housing Officer	8 – 12	Weekdays (after hours)
Kleinbaai Slipway Management Committee	Quarterly	0	Area Manager, Admin Assistant & Control Officer	8 – 12	Normal office hours
Klipgat Trust	Quarterly	0	Area Manager & Admin Assistant	6 – 10	Normal office hours

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Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Sport Federations/Clubs	Arranged as per request/ need	0	(3) Area Manager, Control Manager & Sport Official	20 – 25	Weekdays (after hours)

Table 25.: Public Meetings

2.6.2 Ward Committees

The ward committees support the Ward Councilor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

a) Ward 1: Kleinbaai, Franskraal and Masakhane

Name of representative	Capacity representing	Dates of meetings held during the year
Zwelandile Duna	Individual	17 August 2011 16 November 2011 14 March 2012 16 May 2012
Kristoffel Hermanus Jooste	Individual	
Fracia van Dyk	Individual	
Sicelo Heukile	Masakhane Youth in Action	
Desmond Jim	Masakhane Council of Churches	
Babalwa Mangeala	Neighbour Helps Neighbour	
Luvuyo September	Local Football Association	
Siphiwo Kalolo	Masakhane Residents Association	
Anthony Reiner	Kleinbaai Ratepayers Association	
Wilhelm Carl Linder De Vries	Franskraal Ratepayers Association	

Table 26.: Ward 1 Committee Meetings

b) Ward 2: Blompark, Gansbaai and De Kelders

Name of representative	Capacity representing	Dates of meetings held during the year
Johan van Dyk	Overberg Line Fish Association	17 August 2011 16 November 2011 14 March 2012 16 May 2012
John Jacobs	Blompark Advisory Office	
Pieter Barend Botha	Individual	
Jacoba Europa	Silwerjare Service Centre	
Gerda Wessels	Gansbaai Ratepayers Association	

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Name of representative	Capacity representing	Dates of meetings held during the year
Fanie Bothma	Gansbaai Chamber of Commerce	
Johan Pieterse	Gansbaai Tourism	
Louwrens Daniel Oosthuizen	Individual	
Johannes Petrus McLachan Botha	Perlemoenbaai/De Kelders Ratepayers Association	
Hermanus Johannes van Dyk	Gansbaai Marine	

Table 27.: Ward 2 Committee Meetings

c) Ward 3: Hermanus

Name of representative	Capacity representing	Dates of meetings held during the year
David Beattie	Cliff Path Management	17 August 2011 14 September 2011 16 November 2011 11 April 2012 13 June 2012
Linda Griffiths	BOTSOC	
Pierre De Villiers	Hermanus Astronomy	
Hennie Westraat	Gemeenskap Polisieforum	
Jeff Tanner	Village Square	
Kari Brice	Individual	
Henri Lerm	Individual	
Mary Faure	Individual	
Treurnicht Du Toit	Individual	
Karin Coetzee	Hermanus RPA	

Table 28.: Ward 3 Committee Meetings

d) Ward 4: Westcliffe, Mount Pleasant and Hemel-en-Aarde Valley

Name of representative	Capacity representing	Dates of meetings held during the year
Vonji Steneveldt	Overstrand Training Institute	17 August 2011 14 September 2011 16 November 2011 15 February 2012 11 April 2012 13 June 2012
Paul Dickson	Individual	
Desmond Sauls	Sport & Recreation	
Linda Brikkels	Individual	
Ronald Nutt	Individual	
Joeline Thompson	Individual	
Nicholas Esau	Individual	
Ruben Matinka	Individual	
Bob Zylstra	Individual	

Table 29.: Ward 4 Committee Meetings

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e) Ward 5: Zwelihle South (Community Hall)

Name of representative	Capacity representing	Dates of meetings held during the year
Masibulele Jimlongo	Individual	17 August 2011 14 September 2011 16 November 2011 15 February 2012 11 April 2012 13 June 2012
Thobeka Mfundeni	Individual	
Nosakeleh Ndawule	Individual	
Lulama Betane	Individual	
Ntombizanele Sapepa	Individual	
Sipho Nkibithsolo	Individual	
Vusikhaya Ntlokolwana	Individual	
John Mfendesi	Ministries Fraternal	
Vacant	Vacant	

Table 30.: Ward 5 Committee Meetings

f) Ward 6: Zwelihle North (Lukhanyo Primary School and Hou Moed)

Name of representative	Capacity representing	Dates of meetings held during the year
Vusumzi Tshona	HESSA	16 August 2011 13 September 2011 15 November 2011 20 February 2012 11 April 2012 12 June 2012
Wellington Nkanunu	Ministries Fraternal	
Babalwa Goniwe	Individual	
Vivian Nanto	Individual	
Nomfundo Timamu	Masibulele Day Care Centre	
Zolile Hoyi	Individual	
Mzakusi Kamana	Individual	
Lwandlekazi Nyangintsimbi	Disability forum	
Synthia Mcinjana	Siyazama Civic Centre	
Nokuqala Msebe	Individual	

Table 31.: Ward 6 Committee Meetings

g) Ward 7: Sandbaai

Name of representative	Capacity representing	Dates of meetings held during the year
Derick Dickens	Sandbaai Neighbourhood Watch	18 August 2011 15 September 2011 17 November 2011 16 February 2012 12 April 2012 14 June 2012
Deon Beukes	Sandbaai RPA	
Rita Gerber	Sandbaai Verfraaiingskomitee	
Dirk Nel	Hemel & Aarde Estate	
Lenie van Wyk	Individual	

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Name of representative	Capacity representing	Dates of meetings held during the year
Reg Steenkamp	Individual	
Andre Nieuwoud	Individual	
Mariska du Preez	Individual	
Petro van Zyl	Individual	
James Bezuidenhout	Individual	

Table 32.: Ward 7 Committee Meetings

h) Ward 8: Hawston, Fisherhaven and Honingklip

Name of representative	Capacity representing	Dates of meetings held during the year
Elnora Gillion	HASA	15 August 2011 12 September 2011 14 November 2011 13 February 2012 10 April 2012 11 June 2012
Tommy Gelderblom	Hawston Gesondheid & Welsyn	
Edmund Abels	Hawston Sport & Rekreasie	
Margie Arries	Griekwa Nasionale konferensie	
Florina Du Pisanie	Individual	
Robin Perrins	Fisherhaven RPA	
Idy Adams	Individual	
Joseph Dynaard	Individual	
Graig Gillion	Individual	
Dave Hugo	Individual	

Table 33.: Ward 8 Committee Meetings

i) Ward 9: Kleinmond and Proteadorp East

Name of representative	Capacity representing	Dates of meetings held during the year
Jan Willem van Staden	Kleinmond Ratepayers Association	18 August 2011 15 September 2011 17 November 2011 16 February 2012 12 April 2012 14 June 2012
Jacob Conradie	Gemeenskapspolisie Forum	
Annette Mason	Kleinmond Nature Conservation	
Hazel Apollis	Mthimkhulu	
Gareth Fredericks	Hangklip-Kleinmond Tourism	
Johannes Burger	Kleinmond Skietklub	
Aldert Drenth	Individual	
Hester Bruwer	Individual	
Johannes de Clerk	Individual	
Edward Watson	Individual	

Table 34.: Ward 9 Committee Meetings

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j) Ward 10: Proteadorp West, Overhills, Palmiet, Betty's Bay, Pringle Bay and Rooi Els

Name of representative	Capacity representing	Dates of meetings held during the year
Daniel Fick	Betty's Bay Residents and Ratepayers Association	16 August 2011 13 September 2011 15 November 2011 14 February 2012 10 April 2012 12 June 2012
Graham Utton	Pringle Bay Ratepayers Association	
Barend Heydenrych	Pringle Bay Conservancies	
Mbem Mbuyiselimoses	Kleinmond Local Football Association	
Julia Aalbers	Rooi Els Ratepayers Association	
Andrew Arendse	Proteadorp Community Forum	
Hanalie Quass	Individual	
Susanna Swanepoel	Individual	
Merull Hartog	Individual	
Neo Nketu	Individual	

Table 35.: Ward 10 Committee Meetings

k) Ward 11: Stanford, Baardskeerdersbos, Pearly Beach, Viljoenshof and Withoogte

Name of representative	Capacity representing	Dates of meetings held during the year
Salie Cyster	Stanford Fishing Association	18 August 2011 16 November 2011 15 March 2012 17 May 2012
George Frith	Stanford Conversation Trust	
Maryanne Ward	Food 4 Thought	
Barry Jones	Stanford Ratepayers' Association	
Naas Terblanche	Farmers' Association	
Buseka Jonas	Eluxolweni Community/Residents' Association	
Theo Coetzer	Pearly Beach Ratepayers' Association	
Helena Swart	Baardskeerdersbos Home Owners' Association	
Bea Whittaker	Individual	
Cornie Swart	Individual	

Table 36.: Ward 11 Committee Meetings

l) Ward 12: Zwelihle North-West

Name of representative	Capacity representing	Dates of meetings held during the year
Nobelungu Mpemba(Callinah)	Siyakha Educare Centre	18 August 2011

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Name of representative	Capacity representing	Dates of meetings held during the year
Vuyiswa Khuse(Sophie)	Zwelihle Community Police Forum	15 September 2011 17 November 2011 20 February 2012 12 April 2012 14 June 2012
Chris Makhendlana(Themdikaya)	Zwelihle Business Forum	
Brine Nofotyo(Nkululeko)	Youth Forum	
Mbulelo Memani	School Governing Body	
Nolundi Mahela (Caroline)	Individual	
Nomzi Khambi(Nomthandazo Gcilitshane)	Individual	
Gladwin / Ntembiso Bulawa	Individual	
Zandile Tonisi(Ntombizandile)	Individual	
Hamilton Macuphe	Individual	

Table 37.: Ward 12 Committee Meetings

m) Ward 13: Onrusrivier and Vermont

Name of representative	Capacity representing	Dates of meetings held during the year
Hannes Visser	Onrus Neighbourhood Watch	16 August 2011 13 September 2011 15 November 2011 14 February 2012 10 April 2012 12 June 2012
Ronèl Mostert	NG Kerk, Onrus	
Andre Beugger	Vermont Conservation Trust	
Paul Pfister	Vermont RPA	
Andre Kruger	Kalfieffes	
Louis van Brakel	Individual	
Tilla Esterhuizen	Individual	
Duncan Heard	Individual	
Marie van Heerden	Individual	
Paul de Villiers	Onrus RPA	

Table 38.: Ward 13 Committee Meetings

2.6.3 Functionality of Ward Committee

The purpose of a ward committee is:

- ➔ to get better participation from the community to inform council decisions;
- ➔ to make sure that there is more effective communication between the Council and the community; and
- ➔ to assist the ward councilor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councilor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they

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advise the ward councilor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Number of monthly Committee meetings held during the year	Number of quarterly public ward meetings held during the year
1	Yes	9	9	9	4
2	Yes	9	9	9	4
3	Yes	9	9	6	3
4	Yes	9	9	6	3
5	Yes	9	9	6	3
6	Yes	9	9	6	3
7	Yes	9	9	6	3
8	Yes	9	9	6	3
9	Yes	9	9	6	3
10	Yes	9	9	6	3
11	Yes	9	9	9	4
12	Yes	9	9	6	3
13	Yes	9	9	6	3

Table 39.: Functioning of Ward Committees

2.6.4 Representative Forums

a) Labour Forum

The table below specifies the members of the Labour Forum for the 2011/12 financial year:

Name of representative	Capacity	Meeting dates
N Botha-Guthrie	Council	16 August 2011 13 September 2011 19 October 2011 15 November 2011 14 February 2012 10 April 2012 15 May 2012 12 June 2012
A Coetsee	Council	
P Appelgrein	Council	
B Solomon	Council	
P Scholtz	Council	
C Groenewald	Management	
R Williams	Management	
H Kleinloog	Management	

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Name of representative	Capacity	Meeting dates
T Olivier	SAMWU	
B Mxokozeli	SAMWU	
N Mathiso	SAMWU	
N Matnikinca	SAMWU	
Z Bongoza	SAMWU	
C Muller	IMATU	
P De Villiers	IMATU	
D Phillips	IMATU	
M Gouws	IMATU	

Table 40.: Labour Forum

b) Overstrand Municipal Advisory Forum (OMAF)

The OMAF functions as the IDP representative forum and is structured as follows and serves as advisory body to the Executive Mayor.

- Chairperson – Executive Mayor
- All elected Ward Councilors
- Management
- Four ward committee members of all 13 wards
- Specialists in specific matters who can make useful contributions

Terms of Reference of the OMAF

- A body representing civic society and interest groups serving the entire Overstrand must provide a mechanism for discussion, negotiation and decision making between all relevant parties
- Ensure communication between all interest representatives

Goals and Objectives of the OMAF in the IDP process

- Inform interest groups about planning activities and the objectives thereof
- Analyze matters of interest, and provide input in order to determine priorities
- Discuss and comment on concept IDP
- Monitor implementation of the IDP

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the

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relationships among the many stakeholders involved and the goals for which the institution is governed.

2.7 Risk Management

In terms of section 62 (1)(c)(i) *"the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems – of financial and risk management and internal control;"...*

In the absence of a dedicated Risk Management unit, the Internal Audit Services department assumed a co-ordinating role regarding the updating of the municipality's Top 10 risk register, during the monthly Risk Committee meetings. Furthermore, the risks as indicated on the Top 10 risk register are discussed and reviewed during the monthly Executive Management Team (EMT) meetings.

Top five risks:

1. Potable water shortage in greater Hermanus area at surface water source – De Bos Dam.
2. Excessive water distribution loss.
3. Poor storm water infrastructure.
4. Poor infrastructure at informal settlements.
5. Increase of back yard dwellers, which may result in:
 - ➔ increased fire hazards;
 - ➔ contravention of building and scheme regulations;
 - ➔ overloaded services, and
 - ➔ unhygienic situations.

Risk Forum

Name of representative	Capacity	Meeting dates
DC Van Der Heever	Manager: Internal Audit	25 November 2011 09 March 2012 01 June 2012

Table 41.: Risk Forum

2.8 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must

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take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

a) Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted
Anti-corruption strategy	Part of Fraud Prevention Strategy	October 2008
Fraud prevention strategy	Yes	October 2008

Table 42.: Strategies

b) Implementation of Strategies

Key Risk Areas	Key measures to curb corruption and fraud
Supply Chain Management	Supply Chain staff obtain quotations and not any other operational staff Fully functional Bid Committee System
Recruitment and selection	Recruitment and Selection Policy implemented in which Human Resources Department and Unions were involved with the development process
Housing Administration	Electronic Housing Waiting list with audit trail implemented

Table 43.: Implementation of the Strategies

2.9 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –
- ➔ internal financial control;
 - ➔ risk management;
 - ➔ performance Management; and
 - ➔ effective Governance.

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

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a) Functions of the Audit Committee

- ➔ To advise the Council on all matters related to compliance and effective governance.
- ➔ To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- ➔ Respond to the council on any issues raised by the Auditor-General in the audit report.
- ➔ To review the quarterly reports submitted to it by the internal audit.
- ➔ To evaluate audit reports pertaining to financial, administrative and technical systems.
- ➔ The compilation of reports to Council, at least twice during a financial year.
- ➔ To review the performance management system and make recommendations in this regard to Council.
- ➔ To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- ➔ To review the annual report of the municipality.
- ➔ Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- ➔ Provide support to the Internal Audit function.
- ➔ Ensure that no restrictions or limitations are placed on the Internal Audit section.
- ➔ Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

b) Members of the Audit Committee

Name of representative	Capacity	Meeting dates
GN Lawrence	Chairperson	11 October 2011 28 October 2011 03 February 2012 11 May 2012
DWJ Jacobs	Member	
JNP Saayman (01/07/11 – 31/10/11)	Member	
ME Tshabalala (01/07/11 – 31/10/11)	Member	

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Name of representative	Capacity	Meeting dates
HPA Beekman (01/11/11 – 30/06/12)	Member	
HV Liebenberg (01/11/11 – 30/06/12)	Member	
KE Montgomery (01/11/11 – 30/06/12)	Member	

Table 44.: Members of the Audit Committee

2.10 Performance audit committee

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2) (f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the performance audit committee, the municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

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Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

a) Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- i) review the quarterly reports produced and submitted by the internal audit process;
- ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

b) Members of the Performance Audit Committee

Name of representative	Capacity	Meeting dates
DWJ Jacobs	Chairperson	07 September 2011 02 March 2012 22 June 2012
GN Lawrence	Member	
JNP Saayman (01/07/11 – 31/10/11)	Member	
ME Tshabalala (01/07/11 – 31/10/11)	Member	
HPA Beekman (01/11/11 – 30/06/12)	Member	
HV Liebenberg (01/11/11 – 30/06/12)	Member	
KE Montgomery (01/11/11 – 30/06/12)	Member	

Table 45.: Members of the Performance Audit Committee

2.11 Internal Auditing

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:

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- (i) internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) risk and risk management;
 - (iv) performance management;
 - (v) loss control; and
 - (vi) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation
- (c) perform other duties as may be assigned to it by the accounting officer.

The Municipality has an In-house Internal Audit function consisting of:

- Internal Audit Manager (position filled 01 October 2011)
- One Internal Auditor (position filled 01 September 2011 and resigned on 27 January 2012) and position was filled on 10 April 2012 however the incumbent resigned on 26 June 2012.
- One Assistant Internal Auditor.

Annual Audit Plan

60% of the Risk Based Audit Plan for 2011/12 was executed with the available resources. The table below provides detail on audits completed:

Description			No of Hours	Date completed
Phase 1				
Revisiting current risk profile and priorities			70	Ongoing on a quarterly basis
Phase 2				
Compiling Risk Based Audit Plan			20	29 June 2011
Phase 3				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Directorate: Finance	Budget & Treasury Office	Bank reconciliations	120	12 July 2011
	Supply Chain Management Unit	Payment for the provision of professional services.	80	17 January 2012
	Supply Chain Management Unit	Extension of tenders	120	25 April 2012
Directorate: Community Services	Housing administration	Housing consumer education.	80	11 October 2011
	Corporate projects	Local labour Promotion	60	05 December 2011

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Description			No of Hours	Date completed
		Programme (LLPP).		
Directorate: Management Services	Human Resources	Administration of study bursaries.	40	10 October 2011
	Management Services	Pre-determined objectives (3 rd Quarter: follow-up report 2010/2011):	40	30 Augustus 2011
	Management Services	Pre-determined objectives (4 th Quarter : 2010/2011)	90	01 September 2011
	Management Services	Pre-determined objectives (1 st & 2 nd Quarter: 2011/2012)	160	02 May 2012
	Management Services	Pre-determined objectives (3 rd Quarter: 2011/2012)	90	15 June 2012
Directorate: Local Economic Development	Local Economic Development	Hawkers/ market stalls	60	27 March 2012
Directorate: Infrastructure & Planning	Town Planning & Property administration	Administration of municipal residence	60	28 July 2011
Continuous Auditing/Consulting			140	Ongoing – monthly basis
Junior Internal Audit Assistance			250	Ongoing – daily basis
Training CPD			120	Ongoing
Total Hours			1600	

Table 46.: Internal Audit Coverage Plan

Below are the functions of the Internal Audit Unit that was performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	November/ December 2011
Risk based audit plan approved for 2011/12 financial year	29 June 2011
Internal audit programme drafted and approved	29 June 2011
Number of audits conducted and reported on	12
Audit reports included the following key focus areas:	
Internal controls	7
Accounting procedures and practices	1
Performance management	4

Table 47.: Internal Audit Functions

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2.12 By-Laws and Policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the by-laws developed and reviewed during the financial year:

By-laws developed/revised	Date adopted	Public Participation Conducted Prior to adoption of By-Laws Yes/No	Date of Publication
Liquor Trading Hour By-Law	15 July 2011	Yes	15 Julie 2011
Outdoor Advertisement And Signage	14 March 2011	Yes	14 March 2011

Table 48.: By-laws

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Asset Management Policy	01 July 2012	Yes
Borrowing Policy	01 July 2012	Yes
Budget Policy	01 July 2012	Yes
Customer Care, Credit Control and Debt Collection Policy	01 July 2012	Yes
Delegation of Powers and Duties Policy	26 July 2012	No
Electronic Communications Policy	28 March 2012	No
Funding and Reserves Policy	01 July 2012	Yes
Gift Policy for Officials	28 June 2011	No
Grant in Aid : Guidelines for Mayoral Grants	29 August 2012	No
Grant in Aid Policy	29 August 2012	No
ICT Steering Committee Charter	28 March 2012	No
ICT Information Security Policy	28 March 2012	No
Indigent Policy	01 July 2012	Yes
Investment Policy	01 July 2012	Yes
Maintenance Management Policy	31 August 2011	No
Municipal Residence Policy	28 March 2012	No

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Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Petty Cash Policy	01 July 2012	Yes
Plot Clearing Policy	31 August 2011	No
Rates Policy	01 July 2012	Yes
Supply Chain Management Policy	26 July 2012	Yes
Tariff Policy	01 July 2012	Yes
Telephone Policy	25 April 2012	No
Toegang tot Inligting	April 2012	No
Travel and Subsistence Policy	01 July 2012	No
Virement Policy	01 July 2012	Yes
Ward Committee Rules	01 July 2012	No

Table 49.: Policies

2.13 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of *Batho Pele* and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

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Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Yes (in draft format)
Customer satisfaction surveys	Yes
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes, monthly

Table 50.: Communication Activities

2.14 Website

A municipal website www.overstrand.gov.za should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipal website	Date Published
Annual budget and all budget-related documents	18 June 2012 (Prelim) 2 July 2012 (Final)
Adjustment budget for 2011/12	15 March /2012
Budget implementation policy: Tariff policy	18 June 2012
Budget implementation policy: Credit control policy	18 June 2012
Budget implementation policy: Valuation By-Law	26 February 2010
Budget implementation policy: Rates policy	18 June 2012
Budget implementation policy: SCM policy	18 June 2012
Annual report for 2010/11	26 January 2012
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2011/12	4 August 2011
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2011/12	Quarterly Budget Statements published on 31 January 2012 (Sep'11 and Dec'11); 20 July 2012 (Mar'12); and 7 August 2012 (Jun'12); SDBIP Quarterly Reports published on 5 December 2011 (1 st) 3 May 2012 (2 nd) 6 June 2012 (3 rd) 10 September 2012 (4 th)

Table 51.: Website Checklist

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2.15 Supply Chain Management

The Supply Chain Management Policy of the Overstrand Municipality is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

The Supply Chain Management Policy complies duly with the requirements of Section 112 of the MFMA as well as the Supply Chain Management Regulations. The Policy was drafted based on the SCM Model Policy issued by the National Treasury and amended to suit the local circumstances within the ambit of the regulatory framework and sometimes even stricter than the legal requirements.

2.15.1 Competitive Bids in Excess of R200 000

a) Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2011/12 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
88	55	35

Table 52.: Bid Committee Meetings

The attendance figures of members of the bid specification committee are as follows:

Member	Percentage attendance
In terms of Paragraph 27 of Council's Supply Chain Management Policy, the Bid Specification Committee must consist of a Supply Chain Management Official as well as the Director or his delegated official from the user-department. No Bid Specification Committee meeting will continue without the attendance of either of these members.	100%

Table 53.: Attendance of members of bid specification committee

The attendance figures of members of the bid evaluation committee are as follows:

Member	Percentage attendance
In terms of Paragraph 28 of Council's Supply Chain Management Policy, the two standing members of the Bid Evaluation Committee are the chairperson and any official who is a designated Manager in the municipality. A third member of the BEC is the official presenting the report on behalf of the user-department. No Bid Evaluation Committee meeting will continue without the attendance of either of these members.	100%

Table 54.: Attendance of members of bid evaluation committee

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The attendance figures of members of the bid adjudication committee are as follows:

Member	Percentage attendance
Director: Finance- Chairperson	100%
Director: Community Services	86%
Director: Management Services	83%
Director: Protection Services	83%
Director: Infrastructure & Planning Services	91%
Director: Local Economic Development & Tourism	57%

Table 55.: Attendance of members of bid adjudication committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

b) Awards Made by the Bid Adjudication Committee

The ten highest bids awarded by the bid adjudication committee are as follows:

Bid number	Date of award	Title of bid	Successful Bidder	Value of bid awarded
SC1024/2011	2011.08.12	Replacement of Domestic Water meters Overstrand Area	MA Nzima Civils CC	R8 550 000.00
SC1180/2012	2012.04.20	Supply & delivery of Electrical Inventory items	Vusisizwe Suppliers CC	R8 343 463.53
SC1095/2011	2011.09.30	Repair of Potholes in the Overstrand Area	Peter Starke Civils cc	R6 728 786.41
SC1119/2011	2011.11.18	Supply and delivery of Water-and Sewerage Purification Chemicals	Ikusasa Chemicals (Pty) Ltd	R6 690 225.00
SC1117/2011	2011.11.04	MV & LV Networking Upgrade	Adenco Construction (Pty) Ltd	R5 851 520.82
SC1119/2011	2011.11.18	Supply and delivery of Water-and Sewerage Purification Chemicals	Protea Chemicals Cape	R5 247 864.60
SC1204/2012	2012.06.15	Gansbaai: Permanent sites & Kleinmond: Permanent &	Quintessential Security CC	R4 944 663.36

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Bid number	Date of award	Title of bid	Successful Bidder	Value of bid awarded
		seasonal sites		
SC1204/2012	2012.06.15	Hermanus: Permanent & seasonal sites	ADT Security (Pty) Ltd	R4 811 537.81
SC1170/2011	2012.03.08	Construction of Zwelihle Commercial Precinct and recreational facilities	Cape Asphalt CC	R4 765 652.98
SC1136/2011	2011.12.15	Laboratory Services for the Monitoring of Water Quality	A. L. Abbott & Associates	R4 539 166.88

Table 56.: Ten highest bids awarded by bid adjudication committee

c) Awards Made by the Accounting Officer

Bids awarded by the Accounting Officer are as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded
SC1085/2011	Preekstoel Bio-Filtration Plant- Civil Works	Infrastructure & Planning	R36 252 769.48
SC1121/2011	Overstrand Water Pipe Replacement	Infrastructure & Planning	R23 769 000.00
SC1112/2011	Resurfacing and Rehabilitation of Roads	Community Services	R19 889 875.26
SC1084/2011	Preekstoel Bio-Filtration Plant- Mech & Elect Works	Infrastructure & Planning	R16 229 031.45

Table 57.: Awards made by Accounting Officer

d) Appeals Lodged by Aggrieved Bidders

Tender No	Description	Awarded to	Complainant	Date received	Outcome	Outcome Date
SC1099/2011	New 11KV Cable Feeder in Kleinbaai	Vredendal Electric CC t/a WP Electric	Adenco Construction (Pty) Ltd.	05 September 2011	Upheld	28 September 2011
SC1104/2011	Provision of Cleaning Services: Gansbaai & Stanford - Masakhane / Beverly Hills	Aice Twala	Face of Africa, Cleaning, Catering and Transport Services CC	12 September 2011	Successful	01 October 2011

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Tender No	Description	Awarded to	Complainant	Date received	Outcome	Outcome Date
SC1084/2011	Preekstoel Bio filtration Plant	PCI Africa (Pty) Ltd	Inenzo	15 November 2011	Upheld	16 November 2011
SC1086/2011	Multi Functional Digital Copiers	Page Automation, Nashua, Sharp, CBC	Cape Office Machines	15 November 2011	Upheld	16 November 2011
SC1116/2011	Upgrading of LV Electrical Network	Adenco	Outdoor Illumination	21 November 2011	Upheld	21 December 2011
SC1121/2011	Water pipe replacement	Insitu Pipelines	Martin & East	30 November 2011	Upheld	28 December 2011
SC1180/2012	Supply and Delivery of Electrical Inventory Items	Reticulation & General Supplies CC	Polybox (Pty) Ltd	03 May 2012	Upheld	21 May 2012
SC1204/2012	Provision of security services for the Overstrand Municipality fixed properties	ADT Security (Pty) Ltd, Cherry Blossom Trading 110 CC, Quintessentia I Security CC, CW Security & Asset Protection Services CC	CW Security, African Compass Trading	22 June 2012	Upheld	11 July 2012

Table 58.: Appeals lodged by aggrieved bidders

2.15.3 Deviation from Normal Procurement Processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

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Type of deviation	Number of deviations	%	Value of deviations	Percentage of total deviations value
Clause 36(1)(a)(i)-Emergency	1	0.38	R430301.14	0.72
Clause 36(1)(a)(ii)-Sole Supplier	51	19.62	R1 896 255.60	3.15
Clause 36(1)(a)(iii)-Unique arts	1	0.38	R1 950.00	0
Clause 36(1)(a)(v)-Impractical / impossible	212	80.00	R57 840 088.95	96.13
Total	265	100	R60 168 595.69	100

Table 59.: Summary of deviations

Clause 36(1)(a)(v)- Deviations- Impractical and or Impossible

Type of deviation	Number of deviations	%	Value of deviations
Strip-and-quote	107	50.47	R818 868.95
Impractical / impossible	29	13.68	R867 195.80
Inadequate procurement planning	75	35.85	R10 839 024.20
Total	211"	100	R12 525 088.95
* One deviation valued at R45, 315,000.00 for the sale of Council land to the second bidder after the successful bidder withdrew their bid, is regarded as an extraordinarily exceptional case and is accordingly excluded from the calculations.			

Table 60.: Clause 36(1)(a)(v)- Deviations- Impractical and or Impossible

2.15.4 Logistics Management

The system of logistics management must ensure the following:

- ➔ the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- ➔ the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- ➔ the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- ➔ before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

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- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores, Dromedaris Street are coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 June 2012, the value of stock at the municipal stores amounted to **R6 582 120.78 (R 4 359 501.10 in 2010/11)**. For the 2011/2012 financial year a total of **R789.90** were accounted for as surpluses (R1 995.07 2010/11), **R294.04** as deficits (R74 687.39 in 2010/11) and no damaged stock items were reported.

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise, as community value makes up for the lower market value
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- Immoveable property is let at market related rates except when the public interest or plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

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- ➔ In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- ➔ We are complying with section 14 of the MFMA which deals with the disposal of capital assets.
- ➔ Assets must be disposed of in terms of Council's Asset Management Policy as well as
- ➔ the Immoveable Property Management Policy

Final

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CHAPTER 3

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2011/12 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore, includes an overview on achievement in 2011/12 compared to actual performance in 2010/11.

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- ➔ the promotion of efficient, economic and effective use of resources,
- ➔ accountable public administration
- ➔ to be transparent by providing information,
- ➔ to be responsive to the needs of the community,
- ➔ and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be

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conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

3.1.1 Legislative requirements

In terms of section 46(1)(a) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisation performance

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level and municipal services

3.1.3 The performance system followed for 2011/12

a) Adoption of a Performance Management Framework

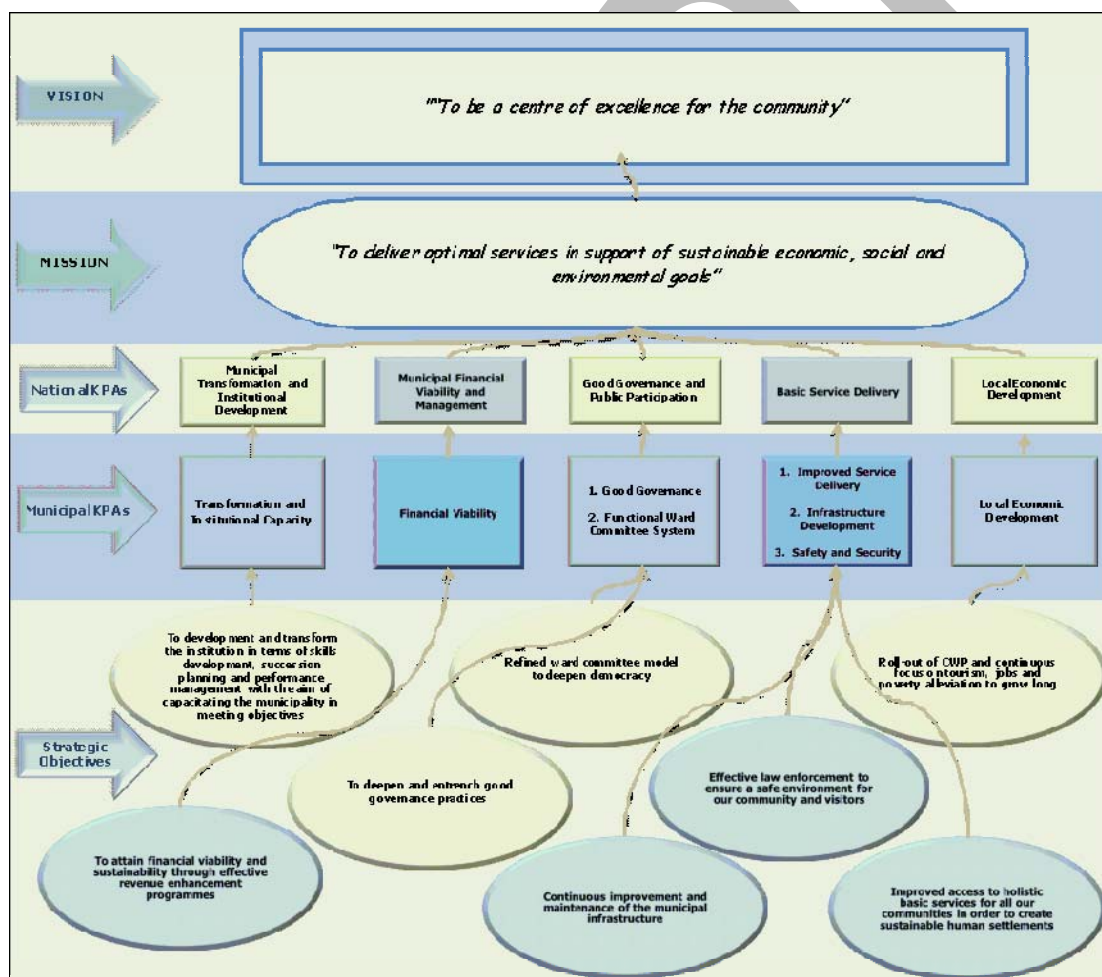
The municipality adopted a performance management framework that was approved by Council in November 2008. However, during May 2012, the municipality started a process to review this framework. A draft revised framework will be presented to Council in June 2013 after which a community participation process will be followed.

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b) The IDP and the budget

The IDP was reviewed for 2011/12 and the budget for 2011/12 was approved by Council on 31 May 2011. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

The strategy map below illustrates the strategic link of the focus areas of the municipality with the National Key Performance Areas. The National Key Performance Areas is aligned with the strategic objectives that were identified in the 2011/12 reviewed IDP. The strategic objectives are linked to the outcomes for 2011/12



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c) The Service Delivery Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- ➔ The IDP and budget must be aligned
- ➔ The budget must address the strategic priorities
- ➔ The SDBIP should indicate what the municipality is going to do during next 12 months
- ➔ The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 13 June 2011.

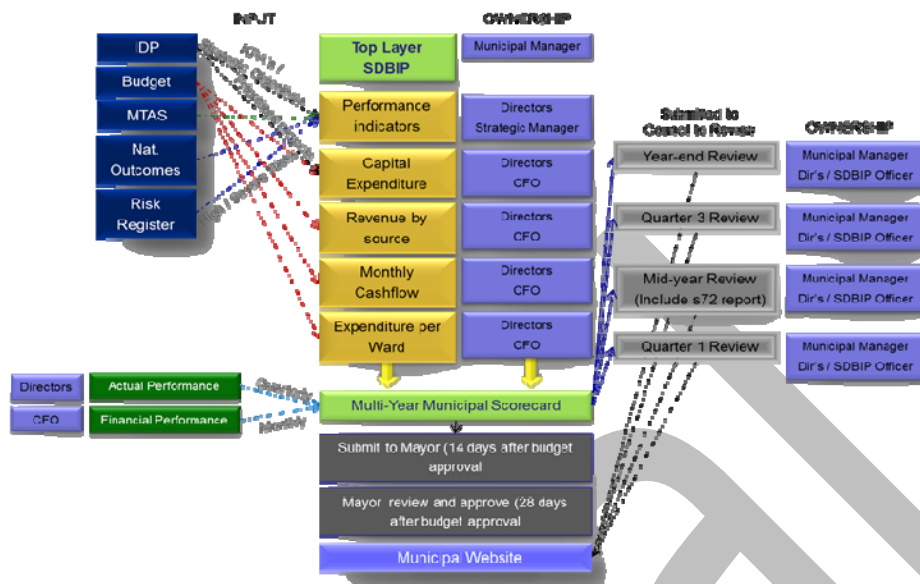
i) The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- ➔ **One-year** detailed plan, but should include a **three-year capital plan**
- ➔ The 5 necessary components includes:
- ➔ Monthly projections of revenue to be collected for each source
- ➔ Expected revenue to be collected NOT billed
- ➔ Monthly projections of expenditure (operating and capital) and revenue for each vote
- ➔ Section 71 format (Monthly budget statements)
- ➔ Quarterly projections of service delivery targets and performance indicators for each vote
- ➔ Non-financial measurable performance objectives in the form of targets and indicators
- ➔ Output NOT input / internal management objectives
- ➔ Level and standard of service being provided to the community
- ➔ Ward information for expenditure and service delivery
- ➔ Detailed capital project plan broken down by ward over three years

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The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):



Top Layer KPI's were prepared based on the following:

- ➔ Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- ➔ KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- ➔ KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements.
- ➔ The municipal turnaround strategy (MTAS)

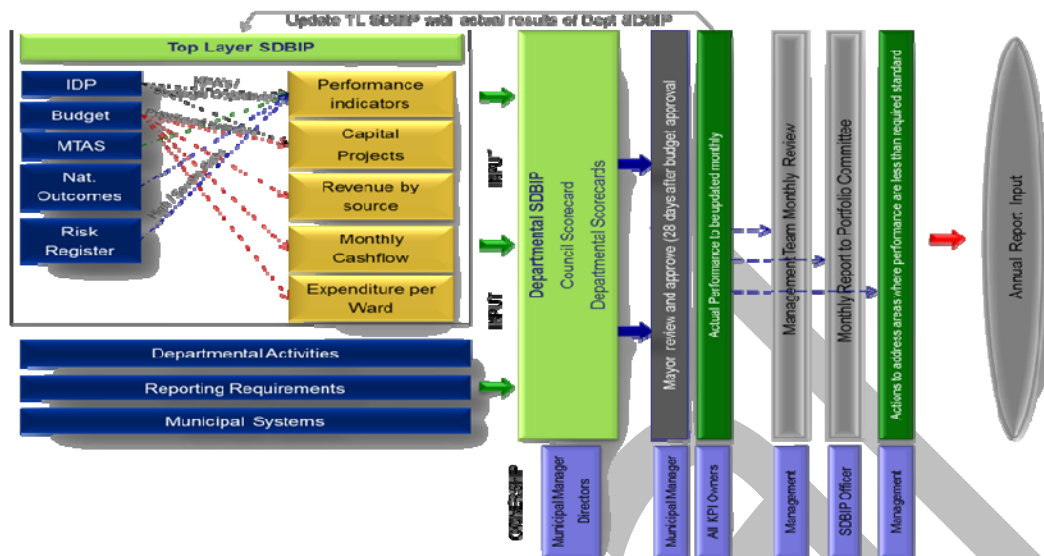
It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POE's for reporting and auditing purposes.

ii) Directorate/Departmental scorecards

The directorate and departmental scorecards (detail SDBIP) capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate. It was compiled by **senior managers** for their **directorate** and consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

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The following diagram illustrates the establishment, components and review of the departmental SDBIP:



KPI's were developed for Council, the Office of the Municipal Manager and for each Directorate. The KPI's:

- ➔ Address the TL KPI's by means of KPI's for the relevant section responsible for the KPI.
- ➔ Include the capital projects KPI's for projects. The targets are aligned with the projected monthly budget and project plans.
- ➔ Address the key departmental activities.
- ➔ Each KPI have clear monthly targets and are assigned to the person responsible for the KPI's.

d) Actual performance

The municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ➔ The actual result in terms of the target set.
- ➔ The output/outcome of achieving the KPI.
- ➔ The calculation of the actual performance reported. (If %)
- ➔ A performance comment.
- ➔ Actions to improve the performance against the target set, if the target was not achieved.

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It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

3.1.4 Performance Management

Performance management is prescribed by chapter of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management framework that was approved by Council in November 2008.

a) Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- ➔ The Top Layer SDBIP was approved by the Mayor on 13 June 2011 and the information was loaded on an electronic web based system
- ➔ The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 15th of every month for the previous month's performance.
- ➔ Additionally, the performance system administrator reminded all departments on a monthly basis to update their actual performance on the web based system.
- ➔ The first quarterly report was submitted to Council on the 30 November 2011 (Agenda item 5.5) and the second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor on 25 January 2012. The third quarter report was submitted to Council on 30 May 2012 (Agenda item 5.2).
- ➔ The Quarterly SDBIP performance reports are also submitted to the Performance Audit Committee. The quarterly reports were submitted to the committee on 7 September 2012, 2 March 2012 and 22 June 2012.
- ➔ Internal Audit performed a statutory compliance review which included revision of the information contained in the budget / SDBIP and reviewed IDP and reported thereon. In addition, a compliance review was performed on the submission of the budget / SDBIP and performance agreements of managers reporting directly to the Municipal Manager to ensure compliance to the

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relevant legislative requirements. Furthermore, a review of the 4th quarter performance proof of evidence against signed-off key performance indicators for 2010/11, were performed.

b) Individual Performance Management

i) Municipal Manager and Managers directly accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2011/12 financial year were signed during July 2011 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2010/11 financial year (1 January 2011 to 30 June 2011) took place on 12 August 2011 and the mid-year performance of 2011/12 (1 July 2011 to 31 December 2011) took place on 12 March 2012.

The appraisals was done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- ➔ Executive Mayor
- ➔ Portfolio Chairperson
- ➔ Municipal Manager
- ➔ Chairperson of the Audit Committee
- ➔ Municipal manager from other municipality

ii) Other municipal personnel

The municipality is in process of implementing individual performance management to lower level staff in annual phases. All staff on post level T-11 to T-19 signed performance agreements or performance development plans for the 2011/12 financial year. The final evaluation of the 2010/11 financial year (1 January 2011 to 30 June 2011) took place during July 2011 and the mid-year performance of 2011/12 (1 July 2011 to 31 December 2011) took place during January 2012. The evaluation of performance is completed between a supervisor and the employee, after which senior management do a moderation of all the results to ensure reliable and realistic outcomes.

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3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2011/12

3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

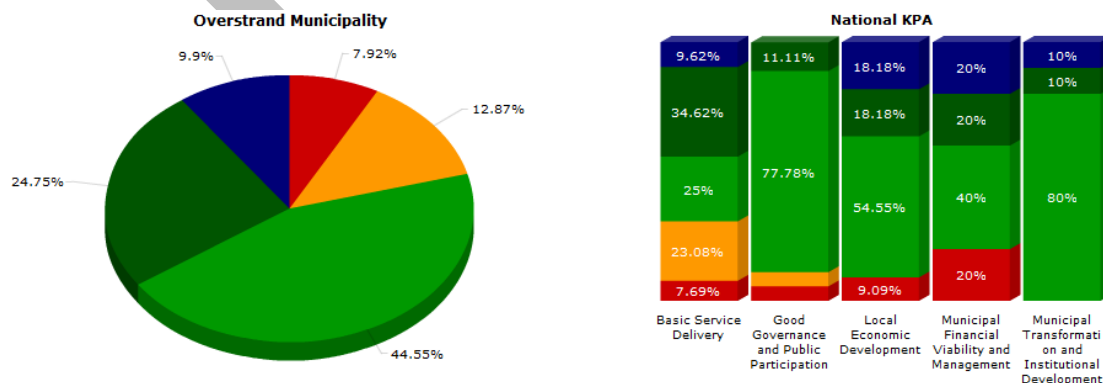
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the 5 National Key Performance Areas (KPA) linked to the Municipal KPA's and IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

Category	Color	Explanation
KPI's Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI's Not Met	Red	0% >= Actual/Target < 75%
KPI's Almost Met	Orange	75% >= Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Dark Blue	Actual/Target >= 150%

Figure 2.: SDBIP Measurement Categories

The graph below displays the overall performance per National KPA's for 2011/12:



Graph 4.: Overall performance per National Key Performance Area

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a) Top Layer SDBIP – Good Governance And Public Participation

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Areas namely “*Good Governance*” and “*Functional Ward Committee System*”. The IDP Objectives that are linked to Good Governance and Public Participation are: “*Refined ward committee model to deepen democracy*” and “*To deepen and entrench good governance practices*”

Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/ 11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL7	The provision of democratic and account- table governance	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	All	11	2	2	2	2	8	8		n/a
TL26	The provision of democratic and account- table governance	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	% spent	All	New performance indicator for 2011/12. No comparatives available	15%	40%	65%	95%	95%	91.80%		n/a
TL34	The provision of democratic and account- table governance	Functional audit committee measured by the number of meetings per annum	No of meetings held	All	4	1	1	1	1	4	4		n/a
TL27	The provision of democratic and account- table governance	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	9	2	2	2	2	8	9		n/a
TL28	The provision of democratic and account- table governance	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per annum	All	5	2	2	2	2	8	9		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/ 11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL31	The provision of democratic and accountable governance	Annual revision of the anti-corruption policy and implementation of quarterly awareness actions	Number of actions implemented	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL32	The provision of democratic and accountable governance	Annual revision of top 10 risks and quarterly progress reports on corrective action to address risks	Number of progress reports	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL35	The provision of democratic and accountable governance	Quarterly report on progress with implementation of key controls as identified in key control deficiencies by the Auditor-General	Quarterly reports submitted on achievement of committed dates	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL29	The provision of democratic and accountable governance	Report quarterly on corrective action implemented on all reported cases of non-compliance with laws and regulations	Number of reports submitted	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL36	The provision of democratic and accountable governance	Risk based audit plan approved by the end of September	Plan approved	All	100%	100%	0%	0%	0%	100%	100%		n/a
TL30	The provision of democratic and accountable governance	The municipality complies with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations /condoned	All	0	0	0	0	0	0	0		n/a
TL62	The provision of democratic and accountable	The adjustment budget is approved by Council by the end of February	Approval of Adjustment s Budget before the end of February	All	100%	0%	0%	100%	0%	100%	100%		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/ 11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
	governance												
TL61	The provision of democratic and account- table governance	The main budget is approved by Council by the end of May	Approval of Main Budget before the end of May	All	100%	0%	0%	0%	100%	100%	100%		n/a
TL88	The provision of democratic and account- table governance	Annual report submitted by the end of January and oversight report of council submitted before the end of March	Report submitted to Council	All	100%	0%	0%	100%	0%	100%	100%		n/a
TL86	The provision of democratic and account- table governance	No of Section 56 performance agreements and MM signed by the end of July	No of performanc e agreement s signed	All	8	7	0	0	0	7	7		n/a
TL83	The provision of democratic and account- table governance	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	All	100%	0%	0%	0%	100%	100%	100%		n/a
TL85	The provision of democratic and account- table governance	Strengthen the role of communities by developing ward based profiles	No of ward based profiles developed	All	New perfor- mance indicator for 2011/12. No compara- tives available	0	0	0	10	10	6		The target was set for 10 wards, but only 6 wards were identified as priority areas. The target was therefore achieved and no corrective action required
TL84	The provision of democratic and account- table governance	IDP reviewed and approved annually by the end of May	IDP approved by the end of May	All	100%	0%	0%	0%	100%	100%	100%		n/a

Table 61.: Top Layer SDBIP – Good Governance and Public Participation

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b) Top Layer SDBIP – Municipal Transformation and Institutional Development

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely "*Transformation and Institutional Capacity*." The IDP Objective that is linked to Municipal Transformation and Institutional Development is: "*To development and transform the institution in terms of skills development, succession planning and performance management with the aim of capacitating the municipality in meeting objectives*"

Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL39	The provision of democratic and accountable governance	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL37	The provision of democratic and accountable governance	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	9	1	1	1	1	4	4		n/a
TL40	The provision of democratic and accountable governance	Recruit and develop staff in terms of succession planning and career pathing	Actual nr of appointments	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL33	The provision of democratic and accountable governance	Quarterly assessment of the performance of the directors	Number of assessments per director	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL82	The provision of democratic and accountable governance	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1%	0%	0%	0%	1%	1%	1.60%		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL89	The provision of democratic and accountable governance	Finalise the Municipal Organisational Staff Structure by the end of February	% completed	All	New performance indicator for 2011/12. No comparatives available	0%	0%	100%	0%	100%	100%		n/a
TL87	The provision of democratic and accountable governance	Institutional Performance management system in place and implemented from TASK level 6 - 19	% implemented	All	100%	0%	0%	0%	100%	100%	100%		n/a
TL91	The provision of democratic and accountable governance	Revise the Section 14 Access to Information Manual by the end of June to ensure compliant and up to date policies	Policy revised	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	1		n/a
TL90	The provision of democratic and accountable governance	Creation of an effective institution with sustainable capacity measured in terms of the % of the approved and funded organogram filled	% filled	All	96.58%	90%	90%	90%	90%	90%	91.25%		n/a
TL92	The provision of democratic and accountable governance	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	80%	80%	80%		n/a

Table 62.: Top Layer SDBIP – Municipal Transformation and Institutional Development

c) Top Layer SDBIP – Municipal Financial Viability and Management

The National Key Performance Area Municipal Financial Viability and Management are linked to the Municipal Key Performance Area namely "Financial Viability". The IDP Objective that is linked to Municipal Financial Viability is: "To attain financial viability and sustainability through effective revenue enhancement programmes"

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/ 11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL8	The provision of democratic and account- table governance	Improvement in conditional grant spending - operational (MSIG, Libraries, CDW, HCE)	% of total conditional operational grants spent (Libraries, CDW)	All	100%	20%	55%	75%	98%	98%	100%		n/a
TL38	The provision of democratic and account- table governance	Action plan completed to ensure that the root causes of issues raised by AG in AG report of the previous financial year are addressed to promote a clean audit	Number of plans completed	All	1	0	0	0	1	1	1		n/a
TL60	The provision of democratic and account- table governance	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investment s)/ Monthly fixed operating expenditure	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1.2	1.2	5.17		n/a
TL58	The provision of democratic and account- table governance	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue- operating grants received)/ debt service payments due within the year)	All	New performance indicator for 2011/12. No comparatives available	0	0	0	12	12	18.6		n/a
TL59	The provision of democratic and account- table governance	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	9%	9%	11.60%		Effective credit control have been implemented which will decrease the service debtors
TL64	The provision of democratic and account- table governance	Improved revenue collection	% Debt recovery rate	All	99.33 %	90%	90%	90%	90%	90%	122.55%		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL63	The provision of democratic and accountable governance	Compliance with GRAP standards measured by the number of findings in the audit report	0 findings in the audit report on non-compliance	All	0	0	0	0	0	0	0		n/a
TL67	The provision of democratic and accountable governance	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	0	0	0	1		Strict SCM and legal procedures have been implemented that should prevent such instances
TL65	The provision of democratic and accountable governance	Financial statements submitted by 31 August	% compliance	All	100%	100%	0%	0%	0%	100%	100%		n/a
TL66	The provision of democratic and accountable governance	Improvement in conditional grant spending - operational (FMG, MSIG)	% of total conditional operational grants spent (FMG, MSIG) or committed	All	100%	0%	0%	0%	100%	100%	100%		n/a

Table 63.: Top Layer SDBIP – Municipal Financial Viability and Management

d) Top Layer SDBIP – Local Economic Development

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely "Local Economic Development". The IDP Objective that is linked to Local Economic Development is: "Roll-out of CWP and continuous focus on tourism, jobs and poverty alleviation to grow long"

Ref	Strategic objectives	KPI	Unit of Measure ment	Wards	Actual 2010/ 11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL45	Promotion of tourism, economic and rural develop ment	The number of self employed jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of self employed jobs created	All	New performance indica tor for 2011/1 2. No com paratives availa ble	0	0	0	20	20	55		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL44	Promotion of tourism, economic and rural development	The number of semi employed jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of semi employment jobs created	All	New performance indicator for 2011/12. No comparatives available	0	0	0	50	50	393		n/a
TL43	Promotion of tourism, economic and rural development	The number of temporary jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of temporary jobs created	All	New performance indicator for 2011/12. No comparatives available	0	0	0	200	200	204		n/a
TL41	Promotion of tourism, economic and rural development	Appoint LED forum representatives for all towns by the end of July	% of LED forum established	All	New performance indicator for 2011/12. No comparatives available	100%	0%	0%	0%	100%	100%		n/a
TL50	Promotion of tourism, economic and rural development	Compile a policy to award tenders to BEE's by the end of September	Policy submitted for approval	All	New performance indicator for 2011/12. No comparatives available	100%	0%	0%	0%	100%	100%		n/a
TL46	Promotion of tourism, economic and rural development	Develop an operational plan for the implementation of the LED strategy by the end of September	% completed	All	New performance indicator for 2011/12. No comparatives available	100%	0%	0%	0%	100%	100%		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL48	Promotion of tourism, economic and rural development	Development of Neighbourhood Development and Partnership Plans in terms of grant availability by the end of December	% of plans completed	All	New performance indicator for 2011/12. No comparatives available	0%	100%	0%	0%	100%	100%		n/a
TL49	Promotion of tourism, economic and rural development	Improved skills development for local economic development	Number of workshops organised	All	18	2	2	2	2	8	11		n/a
TL47	Promotion of tourism, economic and rural development	Oversight of Cape Whale Organisation (CWO) to ensure that a marketing strategy and actions are implemented	Quarterly reports (operational and financial) received from CWO	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	4		n/a
TL42	Promotion of tourism, economic and rural development	Successful external funding obtained for local economic development	Number of successful external funding obtained	All	New performance indicator for 2011/12. No comparatives available	0	0	0	3	3	3		n/a
TL51	Promotion of tourism, economic and rural development	Value of contracts assigned to SMME's to enhance economic development	Value of contracts assigned	All	R 2,330,412.80	R30,000,000 Q4				R 30,000,000	R 4,185,237.16		The target for the year was over assessed. Compared to the prior year, we more than doubled our prior year performance. No trends existed on which target could be based

Table 64.: Top Layer SDBIP – Local Economic Development

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e) Top Layer SDBIP – Basic Service Delivery

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Areas namely "Infrastructure Development", "Improved Service Delivery" and "Safety and Security". The IDP Objectives that are linked to Basic Service Delivery is: "Continuous improvement and maintenance of the municipal infrastructure", "Effective law enforcement to ensure a safe environment for our community and visitors" and "Improved access to holistic basic services for all our communities in order to create sustainable human settlements."

Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/ 11	Overall performance for 2011/12							Corrective actions
						Target					Actual		
						Q1	Q2	Q3	Q4	Annual			
TL5	The provision and maintenance of municipal services	Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	No of formal areas for which refuse is removed at least once a week	All	26000	32,903	32,903	32,903	32,903	32,903	32,265		The target for the year was over estimated. Service delivery is made to all households. No corrective action required
TL6	The provision and maintenance of municipal services	Provision of refuse removal, refuse dumps and solid waste disposal to all informal areas	No of informal HH for which refuse is removed at least once a week	All	3,726	3,726	3,726	3,726	3,726	3,726	3,565		The target for the year was over estimated. Service delivery is made to all households. No corrective action required
TL3	The provision and maintenance of municipal services	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal areas	No of formal areas that have at least VIP on site	All	26,000	32,136	32,136	32,136	32,136	32,136	30,016		The target for the year was over estimated. Service delivery is made to all households. No corrective action required
TL4	The provision and maintenance of municipal services	Provision of sanitation systems limited to domestic waste water and sewerage disposal to informal HH	No of informal HH that have at least VIP on site	All	3,726	3,726	3,726	3,726	3,726	3,726	3,565		The target for the year was over estimated. Service delivery is made to all households. No corrective action required

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							Corrective actions
						Target					Actual		
						Q1	Q2	Q3	Q4	Annual			
TL1	The provision and maintenance of municipal services	Provision of cleaned piped water to all formal HH within 200m from the household	No of formal HH that meet agreed service standards for piped water	All	26,000	25,110	25,110	25,110	25,110	25,110	25,066		The target for the year was over estimated. Service delivery is made to all households. No corrective action required
TL2	The provision and maintenance of municipal services	Provision of cleaned piped water to all informal HH within 200m from the household	No of informal HH that meet agreed service standards for piped water	All	3,726	3,726	3,726	3,726	3,726	3,726	3,565		The target for the year was over estimated. Service delivery is made to all households. No corrective action required
TL9	The provision and maintenance of municipal services	Develop a maintenance plan for recreational areas by the end of March to ensure that recreational areas are maintained	% completed	All	New performance indicator for 2011/12. No comparatives available	0%	0%	100%	0%	100%	100%		n/a
TL11	The provision and maintenance of municipal services	Graveyards is maintained measured by the % of the maintenance budget spent	% of budget spent	All	88%	20%	50%	75%	98%	98%	96%		Actual is based on spending prior to financial year end adjustments. No corrective action required
TL10	The provision and maintenance of municipal services	Recreational areas is maintained measured by the % of the maintenance budget spent	% of budget spent	All	85%	20%	50%	75%	98%	98%	97.70%		Actual is based on spending prior to financial year end adjustments. No corrective action required
TL25	The provision and maintenance of	Effective emergency control room measured	% completed	All	New performance indicator for	90%	90%	90%	90%	90%	94.14%		n/a

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Ref	Strategic objectives	KPI	Unit of Measure ment	Wards	Actual 2010/ 11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
	municipal services	by the daily recording of enquiries/r equests on EMIS completed within the next calendar month			2011/1 2. No com-para-tives availab le								
TL12	The provision and mainte-nance of municipal services	All informal settlements formalised and with the provision of basic services where required	Number of informal settlements formalised	All	1	0	0	0	2	2	2		n/a
TL19	The provision and mainte-nance of municipal services	m ² of roads patched and resealed according to approved Paveman Manageme nt System within available budget/res eal	m ² of roads patched and resealed	All	93%	25,000	40,000	45,000	50,000	160,000	171,344.96		n/a
TL20	The provision and mainte-nance of municipal services	Maintenanc e of municipal roads	% of maintenanc e budget of municipal roads spent	All	98%	20%	50%	75%	98%	98%	98.18%		n/a
TL18	The provision and mainte-nance of municipal services	Maintenanc e of refuse removal assets	% of maintenanc e budget of refuse removal spent	All	99%	20%	50%	75%	98%	98%	103.21%		n/a
TL17	The provision and mainte-nance of municipal services	Maintenanc e of refuse removal assets measured by the daily recording of enquiries/r equests on EMIS completed within the next	% completed	All	New perfor-mance indica-tor for 2011/1 2. No com-para-tives availab le	90%	90%	90%	90%	90%	100%		n/a

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Ref	Strategic objectives	KPI	Unit of Measure ment	Wards	Actual 2010/ 11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
		calendar month											
TL16	The provision and maintenance of municipal services	Maintenance of sewerage services measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	New performance indicator for 2011/12. No comparatives available	90%	90%	90%	90%	90%	98.27%		n/a
TL15	The provision and maintenance of municipal services	Sewerage assets is maintained in terms of the maintenance budget spent	% of the maintenance budget spent	All	97%	20%	50%	75%	98%	98%	99.80%		n/a
TL13	The provision and maintenance of municipal services	Stormwater assets is maintained in terms of the maintenance budget spent	% of maintenance budget of stormwater spent	All	100%	20%	50%	75%	98%	98%	102.15%		n/a
TL14	The provision and maintenance of municipal services	Quality of waste water discharge measured by the % water quality level	% Effluent compliance with permit conditions and Government Notice	All	83.05 %	80%	80%	80%	80%	80%	88.60%		n/a
TL23	The provision and maintenance of municipal services	Maintenance of water services measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	New performance indicator for 2011/12. No comparatives available	90%	90%	90%	90%	90%	95.37%		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL24	The provision and maintenance of municipal services	Water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	All	99%	20%	50%	75%	98%	98%	100.59%		n/a
TL22	The management and conservation of the natural environment	Excellent water quality measured by the annual blue drop audit	% compliance as per the annual blue drop audit	All	90.56 %	92%	92%	92%	92%	92%	114.74%		n/a
TL55	The management and conservation of the natural environment	Provision of free basic electricity in terms of the equitable share requirements	No of HH receiving free basic electricity	All	New performance indicator for 2011/12. No comparatives available	5,000	5,000	5,000	5,000	5,000	5,421.42		n/a
TL56	The provision and maintenance of municipal services	Provision of free basic electricity in terms of the equitable share requirements	Quantum of free basic electricity per household (Kwh)	All	50	50	50	50	50	50	50		n/a
TL57	The provision and maintenance of municipal services	Provision of free basic refuse removal in terms of the equitable share requirements	No of HH receiving free basic refuse removal	All	New performance indicator for 2011/12. No comparatives available	5,000	5,000	5,000	5,000	5,000	5,477		n/a
TL54	The provision and maintenance of municipal services	Provision of free basic sanitation in terms of the equitable share requirements	No of HH receiving free basic sanitation	All	New performance indicator for 2011/12. No comparatives available	5,000	5,000	5,000	5,000	5,000	5,477		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL52	The provision and maintenance of municipal services	Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	All	New performance indicator for 2011/12. No comparatives available	5,000	5,000	5,000	5,000	5,000	5,477		n/a
TL53	The provision and maintenance of municipal services	Quantum of free basic water per household in terms of the equitable share requirements	Quantum of free basic water provided per household	All	6	6	6	6	6	6	6		n/a
TL68	The provision and maintenance of municipal services	Provision of electricity, excluding ESKOM provision, that are connected to the national grid to all formal areas	No of formal areas that meet agreed service levels	All	26,000	22,500	22,500	22,500	22,500	22,500	20,604		n/a
TL77	The provision and maintenance of municipal services	Effective management of electricity provisioning systems	% of electricity unaccounted for	All	8.63%	0%	0%	0%	10%	10%	7.10%		n/a
TL78	The provision and maintenance of municipal services	Electricity assets is maintained in terms of the maintenance budget spent	% of maintenance budget of electricity spent	All	99%	15%	35%	60%	95%	51.25%	58.25%		n/a
TL76	The provision and maintenance of municipal services	Electricity connections to provide electricity reticulation to new developments	No of new electricity connections	All	410	40	60	40	60	200	482		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL79	The provision and maintenance of municipal services	Improve electricity distribution capacity with new 66KvA substation in Hermanus	% completion of the project	3	New performance indicator for 2011/12. No comparatives available	0%	30%	55%	98%	98%	98%		n/a
TL75	The management and conservation of the natural environment	Public awareness drives/programmes with regard to water programmes, environmental programmes and solid waste	Number of drives/programmes	All	New performance indicator for 2011/12. No comparatives available	2	2	2	2	8	16		n/a
TL73	The provision and maintenance of municipal services	Revise the Electrical Master plan annually where by the end of March	Plan revised and approved by Council	All	New performance indicator for 2011/12. No comparatives available	0%	100%	0%	0%	100%	100%		n/a
TL69	The provision and maintenance of municipal services	Improvement in conditional grant spending - capital	% of total conditional capital grants spent (MIG)	All	100%	0%	30%	55%	95%	95%	100%		n/a
TL72	The provision and maintenance of municipal services	Revise the Integrated Transport Plan annually where by the end of March	Plan revised and approved by Council	All	New performance indicator for 2011/12. No comparatives available	0%	100%	0%	0%	100%	100%		n/a
TL70	The provision and maintenance of municipal services	Effective capital spending measured by the % of budget spent	% spent of approved capital projects	All	New performance indicator for 2011/12. No	0%	30%	55%	98%	98%	84%		Actual is based on spending prior to financial year-end adjustments

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
					comparatives available								No corrective action required
TL81	The provision and maintenance of municipal services	Upgrade of the Waste Water Treatment Works in Hermanus	% completion of the project	3	New performance indicator for 2011/12. No comparatives available	0%	30%	55%	98%	98%	85%		Delays were experienced on the project, including tender appeal, but progress in general good
TL71	The provision and maintenance of municipal services	Revise the Integrated Waste Management plan annually by the end of March	Plan revised and approved by Council	All	New performance indicator for 2011/12. No comparatives available	0%	100%	0%	0%	100%	100%		n/a
TL21	The provision and maintenance of municipal services	Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	All	27.78 %	25%	25%	25%	25%	25%	27.25%		In terms of the Water Demand Management Plan we replace water pipes and water meters, perform pressure management, repair leaks, attend to public awareness and monitoring minimum night flows
TL80	The provision and maintenance of municipal services	Upgrade of the Water Treatment Works in Hermanus	% completion of the project	3	New performance indicator for 2011/12. No comparatives available	0%	30%	55%	98%	98%	85%		Delays were experienced on the project, including tender appeal, but progress in general good

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							Corrective actions
						Target					Actual		
						Q1	Q2	Q3	Q4	Annual			
TL74	The provision and maintenance of municipal services	Report on the implementation of the Water Service Development plan annually by the end of October	% completed	All	New performance indicator for 2011/12. No comparatives available	0%	100%	0%	0%	100%	100%		n/a
TL94	Creation and maintenance of a safe and healthy environment	Annually review and submit Disaster Management Plan for assessment by the District by the end of June 2012	% compliance	All	100%	0%	0%	0%	100%	100%	100%		n/a
TL100	Creation and maintenance of a safe and healthy environment	Arrange public safety awareness campaign to ensure effective services and operational readiness	Number of campaigns held	All	New performance indicator for 2011/12. No comparatives available	3	3	3	3	12	57		n/a
TL97	Creation and maintenance of a safe and healthy environment	Establish community safety plans by the end of June 2012 in conjunction with the Department of Community Safety and the District to address safety challenges within the communities	% of plans established	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	100%	100%	100%		n/a

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Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							Corrective actions
						Target					Actual		
						Q1	Q2	Q3	Q4	Annual			
TL96	Creation and maintenance of a safe and healthy environment	Establishment of the Municipal Court by the end of September to enhance effective law enforcement	Approved application	All	New performance indicator for 2011/12. No comparatives available	100%	0%	0%	0%	100%	0%		Establishment of the court is based on the involvement and approval of various role players which has resulted in the delay. Progress is monitored regularly and all indications are that the court will be established in 2012/13
TL98	Creation and maintenance of a safe and healthy environment	Establishment of the Municipal Pound by the end of November	% established	All	New performance indicator for 2011/12. No comparatives available	0%	100%	0%	0%	100%	100%		n/a
TL99	Creation and maintenance of a safe and healthy environment	Implementation of Close Circuit Television in the strategic areas at civic centre subject to the successful funding of the project by the end of June	% implemented	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	100%	100%	0%		This project was put on hold due to lack of funding and will be recommenced once sufficient funds are available
TL101	Creation and maintenance of a safe and healthy environment	Increase capacity and expand fleet to implement the Fire Management Plan	Appointment of 1 permanent staff member and purchase of 2 vehicles by the end of June 2012	All	New performance indicator for 2011/12. No comparatives available	0	0	0	3	3	2		The target could not be achieved because funds were not available to purchase a 2nd fire fighting vehicle as originally planned

Chapter 3: Service Delivery Performance

Ref	Strategic objectives	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall performance for 2011/12							
						Target					Actual	Corrective actions	
						Q1	Q2	Q3	Q4	Annual			
TL93	Creation and maintenance of a safe and healthy environment	Inspect and assess infrastructure and role players to ensure disaster operational readiness	Assessment report	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	1		n/a
TL95	Creation and maintenance of a safe and healthy environment	Optimal collection of fines issued for the financial year	R-value of fines collected per quarter	All	New performance indicator for 2011/12. No comparatives available	R 750,000 Q1 R 750,000 Q2 R 750,000 Q3 R 750,000 Q4				R 3,000,000	R 4,893,128		n/a

Table 65.: Top Layer SDBIP – Basic Service Delivery

3.2.2 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

- ➔ External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- ➔ Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- ➔ The performance of each service provider
- ➔ a Comparison of the performance with targets set for and performances in the previous financial year; and
- ➔ measures taken to improve performance
- ➔ measures taken to improve performance

Chapter 3: Service Delivery Performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

The table below indicates service providers utilised according to functional areas:

i) Office of the Municipal Manager

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
None	n/a	n/a	n/a	n/a	n/a

Table 66.: Service Providers Performance – Municipal Manager

ii) Economic Development Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Tourism Barometer	1 year	Conducting a Tourism Business Barometer to indicate the impact of tourism on the local economy during the winter and summer season of 2010/2011.	Satisfactory	The project overlaps seasons and each one is different to the other and the information collated could mislead. Tourism can be assessed over a variety of sectors, therefore their performances is crucial.	Sample as much as possible interviews and ensure participation of major economic drivers. Ensure relevant and up-to-date statistics to measure impact.
Upgrading Zwelihle Taxi rank & Market	Two Tenders: No. SC 723/2010 & 725/2010 1 was 10 weeks(extended) and the other one 13 weeks (extended)	Re development of taxi rank with lockable facilities for traders, washing and maintenance facilities for taxi's, beautification and landscaping of the area and traffic calming measures for the safety of pedestrians.	Satisfactory	The contractors performed to required standard	n/a
Redevelop Zwelihle Soccer Field	Tenders: No. SC 958/2010 13 weeks	Upgrade the fields, upgrade the facilities, provide	Satisfactory	Contractor performed to required standard	n/a

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		spectator stands, lawn mower and storage facilities.			
Upgrading of taxi rank in Thembelihle – facilities	Tenders: No. SC 1014/2010 10 weeks	A new taxi drop off. Collection point will be developed in close proximity of the RDP housing development. The proposed rank will establish numerous economic possibilities.	Excellent	Project delivered in good standard, on time.	n/a
Masakhane Taxi rank precinct – Taxi rank upgrade facilities and pedestrian walk way.	Tenders: No. SC 960/2010 7 weeks – Site meetings held every 3 rd week	The project is a township beautification and provision of infrastructure to promote local economic development through improved trading and enhancement of tourism potential	Satisfactory	Contractor performed to required standard	n/a
Hawston and Swartdam weg	Tenders: No. SC 1020/2010 10 Weeks (extended) 8 weeks	1 (a) Hawston – Development of Hawston taxi rank into economic hub and the construction of a pedestrian route to link up the existing, taxi rank with Hawston area. 1 (b) Convert an existing market place into a township tourist hub to include a museum, informal traders, a coffee shop and community	Excellent	Contractor performed to required standard	n/a

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		interactive facility			

Table 67.: Service Providers Performance – Economic Development Services

iii) Financial Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Execution of a General and Supplementary valuation roll	1 August 2008 – 30 July 2012	-Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
		-Information received is according to specifications			
		-Feedback on queries			
Execution of a General and Supplementary valuation	1 February 2011–30 June 2015	-Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
		-Information received is according to specifications			
		-Feedback on queries			
Collection of Monies – (Easy pay, Pay@, SAPO)	Open end	Timeously deposit of monies in the Overstrand bank account -Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
Reading of water and electricity meters	1 September 2009 – 31 August 2012	-Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
Printing and Distribution of Municipal Accounts and Newsletters	01 July 2010 – 30 June 2013	-Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a

Table 68.: Service Providers Performance – Financial Services

Chapter 3: Service Delivery Performance

iv) Management Services

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Lateral Dynamics: Data Centre and Novell Support Services	01 June 2011 to 30 June 2012 Renewed for additional period: 01 July 2012 to 30 June 2014	Full time On-Site Support Services	4	Also performs out of scope services without charging any additional service fees.	N/A
		Consulting Services: Uncapped	5	Very innovative and pro-active with new service requests and latest industry announcements	<ul style="list-style-type: none"> Remote on line support On-site within 4 hours
Gijima: RF Network and Telecommunications Rental and Support Agreement	01 July 2009 to 30 June 2012 Assets procured from Gijima at end of term and implemented a support agreement for period: 01 June 2012 to 30 June 2015.	RF Network Support services	3	<ul style="list-style-type: none"> No proper measurement toolsets and products in place for ongoing monitoring of performance and throughput. Obligation with Overstrand to procure such toolsets and products. 	On-site within 4 Hours
		Telecommunications and PABX Support Services	2	Corrective actions for intermittent problems sometimes not resolved in agreed time frames. (Max. 4 Hours).	Daily follow up to ensure focus is maintained: Site Visits, telephonic consultations, and e-mails
Benliekor: Rental and Maintenance Agreement for 35 x Handheld Radios	01 November 2011 to 31 October 2012	Strip and Quote	3	Full compliance and very positive business relations	N/A
Cape Office: Rental and Maintenance Agreement for Multi Functional Printers – Head Office	20 February 2007 to 28 February 2012. New Rental and Maintenance Agreement from 01 July 2012 to	Ongoing support per callout	3	<ul style="list-style-type: none"> Full compliance and very positive business relations. Willing to 	N/A

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
	30 June 2015.			walk the extra mile if required.	
Nashua: Western Cape: Rental and Maintenance Agreement for 7 x Office Printers	01 April 2011 to 30 March 2014	Ongoing support per callout	3	Full compliance	N/A
Nashua Breede Valley: Rental and Maintenance Agreement for 8 x Fax Machines	01 March 2012 to 30 June 2014	Ongoing support and maintenance per callout	3	Full compliance	N/A
Sharp Electronics: Rental and Maintenance Agreement for 36 x Regional Office Printers	01 February 2012 to 30 June 2014	Ongoing support and maintenance per callout	3	Full Compliance	N/A
RFG Communications : Rental and Maintenance Agreement Hi-mast : Hawston	01 July 2010 to 30 June 2013	Ongoing support and maintenance per callout	3	Full compliance	N/A
Business Engineering: Collaborator Foundation System – On-site support	1 November 2010 – 31 October 2011	Two full support days per week	Good	Supplier were on site for 3 days a week	n/a
		Site Health Management	Satisfactory	Fully effective	n/a
		Pro-active support	Good	Fully effective	n/a
		Re-active support	Satisfactory	Fully effective	n/a
		Training	Satisfactory	Fully effective	n/a
		Workflow optimisation	Satisfactory	Fully effective	n/a
		Administration	Satisfactory	Fully effective	n/a
		Technical support	Good	Supplier were on site for 3 days a week	n/a
Human Resources	Annual Service Level Agreement	Employee Records Leave	Satisfactory	Fully effective	Monthly SLA visits by Payday Consultant,

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
		Post Module Employment Equity Skills Development Health and Safety Labour Relations			where problems are discussed and address
Performance Management System	3 yrs	SDBIP	Good	Outstanding service	n/a
		PMS	Good	Outstanding service	n/a
Legal Services	As required	Legal Services/ Opinions	Good	Highly skilled and competent services providers	n/a

Table 69.: Service Providers Performance – Management Services

v) Infrastructure and Planning Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Consulting Engineering Services: Neil Lyners & Associates	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Jan Palm Consulting Engineers	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and	Good	Good	n/a

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		queries			
Consulting Engineering Services: Element Consulting Engineers (Pty) Ltd	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: BKS (Pty) Ltd	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Qunu Consulting (Pty)	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Worley Parsons	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site	Good	Good	n/a

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		Supervision			
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: A vd Merwe	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: SRK Consulting South Africa	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Umvoto Africa	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Aurecon	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project	Good	Good	n/a

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		Management, Contract Admin and Site Supervision			
		Response time to request and queries	Good	Good	n/a
Engineering Services: Arcus Gibb Consulting	Tender Period	Quality of Technical Solutions and Advice	Good	Good	Letter were sent to supplier if rating is below 60 %
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Services: SSI Consulting Engineering	Tender Period	Quality of Technical Solutions and Advice	Good	Good	Letter were sent to supplier if rating is below 60 %
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a

Table 70.: Service Providers Performance – Infrastructure and Planning Services

vi) Community Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
The repair and reseal of roads contract SC 1112/2011 - Brink & Heath	October 2011 – June 2012	Technical evaluation	Satisfactory	n/a	n/a
		Adhering to timeframes programme			
		Cost effective delivery within budget			

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		Compliance with safety requirements			
		Liaison/responding with public/complaints			
Consulting engineering services for Overstrand pavement management contract - V&V Consulting Engineers	July 2011- June 2012	Technical evaluation	Good	n/a	n/a
		Adhering to timeframes programme			
		Cost effective delivery within budget			
		Liaison/responding with public/complaints			
Consulting engineering services for the replacement of water meters - Worley Parsons Consulting Engineers	July 2011- June 2012	Technical evaluation	Satisfactory	n/a	n/a
		Adhering to timeframes programme			
		Cost effective delivery within budget			
		Liaison/responding with public/complaints			
The replacement of water meters in Overstrand SC1024/2011 Nzima	Oct 2011 – June 2012	Technical evaluation	Good	n/a	n/a
		Adhering to timeframes programme			
		Cost effective delivery within budget			
		Compliance with safety requirement			
		Liaison/responding with public/complaints			
Monthly support	July 2011- June	Technical	Satisfactory	n/a	n/a

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
of Plantman and eMIS in terms of SLA by WMS (Water Management Services)	2012	evaluation			
		Adhering to timeframes programme			
		Liaison/responding with public/complaints			
Electrical Maintenance	December 2010 - 30 June 2013	Quality of product	Satisfactory	Satisfactory	E-mails were sent to ask for Certificates of Compliance and to keep Health and Safety file up to date.
		Delivery time			
		Correct Quantity			
Footpath Construction in Vermont, Sandbaai, Soutpan and Hermanus	23 April 2012 - 30 June 2012	Quality of product	Satisfactory	Satisfactory	n/a
		Delivery time			
		Correct Quantity			
Upgrading of Streets and Sidewalks	5 March 2012 - 30 June 2012	Quality of product	Satisfactory	Satisfactory	n/a
		Delivery time			
		Correct Quantity			
Small Works Pothole Repairs - Afrifell	30 September 2011 - 30 June 2013	Quality of product	Satisfactory	Satisfactory	E-mail sent to contractor for non-satisfactory material used in respect of one incident.
		Delivery time			
		Correct Quantity			
Small Works Pothole Repairs - Peter Starke Civils	30 September 2011 - 30 June 2013	Quality of product	Satisfactory	Satisfactory	n/a
		Delivery time			
		Correct Quantity			
Gardening Services in Hermanus	8 September 2011 - 30 June 2013	Cost effective delivery within Timeframe	Satisfactory	Satisfactory	n/a
		Quality of work			
Upgrading of Storm water in Overstrand	17 January 2012- 30 July 2013	Quality of product	Satisfactory	Satisfactory	n/a
		Delivery time			
		Correct Quantity			
Hygiene Services in	13 July 2012 - 30 June 2015	Quality of product	Satisfactory	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Overstrand		Delivery time			
		Correct Quantity			
Clean-up of Internal Residential Areas (Hawston)	4 Oktober 2011-30 June 2013	Cleaning of road Surfaces	Satisfactory	Satisfactory	n/a
		Cleaning of Public open Spaces			
		Cleaning of Informal Settlements			
		Transport of Collected Refuse			
		Reporting of Problems			
Clean-up of Internal Residential Areas (Mount Pleasant)	4 Oktober 2011-30 June 2013	Cleaning of road Surfaces	Satisfactory	Satisfactory	n/a
		Cleaning of Public open Spaces			
		Cleaning of Informal Settlements			
		Transport of Collected Refuse			
		Reporting of Problems			
Clean-up of Internal Residential Areas (Zwelilhe Ward 6)	4 Oktober 2011-30 June 2013	Cleaning of road Surfaces	Satisfactory	Satisfactory	n/a
		Cleaning of Public open Spaces			
		Cleaning of Informal Settlements			
		Transport of Collected Refuse			
		Reporting of Problems			
Clean-up of Internal Residential Areas (Zwelilhe Ward 5)	4 Oktober 2011-30 June 2013	Cleaning of road Surfaces	Satisfactory	Satisfactory	n/a
		Cleaning of Public open Spaces			
		Cleaning of Informal			

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		Settlements			
		Transport of Collected Refuse			
		Reporting of Problems			
Clean-up of Internal Residential Areas (Zwelihle Ward 12)	4 Oktober 2011- 30 June 2013	Cleaning of road Surfaces	Satisfactory	Satisfactory	n/a
		Cleaning of Public open Spaces			
		Cleaning of Informal Settlements			
		Transport of Collected Refuse			
		Reporting of Problems			
Clean-up of Internal Residential Areas (Sandbaai)	1 December 2011 - 30 June 2013	Cleaning of road Surfaces	Satisfactory	Satisfactory	n/a
		Cleaning of Public open Spaces			
		Ø Transport of Collected Refuse			
		Reporting of Problems			
Clean-up of Internal Residential Areas (Onrus/Vermont)	1 December 2011 - 30 June 2013	Cleaning of road Surfaces	Satisfactory	Satisfactory	n/a
		Cleaning of Public open Spaces			
		Transport of Collected Refuse			
		Reporting of Problems			
Cleaning of Ablution Facilities in Zwelihle	4 Oktober 2011- 30 June 2013	Reporting of Problems	Satisfactory	Satisfactory	n/a
		Cleaning of Ablution Blocks			
		Removal of Refuse			
Supply and Delivery of Play park Equipment	21 May 2012 - 31 July 2012	Quality of product	Satisfactory	Satisfactory	n/a
		Delivery time			

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
in the Overstrand		Correct Quantity			
Gardening Services of Relief Road and Voëlklip Circle Gardens in Hermanus	9 January 2012 - 30 June 2013	Cost effective delivery within Timeframe	Satisfactory	Satisfactory	One letter send to request to work on Saturdays
		Quality of work			

Table 71.: Service Provider Performance – Community Services

vii) Protection Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Security	3 years	Law Enforcement & Security	Satisfactory	Conditions of Service Level Agreement not met	Placed under terms
Moving Traffic Violations	2 years	Traffic	Satisfactory	Conditions of Service Level Agreement not met	On-going negotiations
Uniforms & Protective Clothing	2 years	Traffic, Law Enforcement & Fire	Satisfactory	Conditions of Service Level Agreement not met	Placed under terms
Animal Control	3 years	Law Enforcement	Good	n/a	n/a
Plot Clearing	3 years	Fire	Good	n/a	n/a

Table 72.: Service Providers Performance – Safety and Protection Services

3.2.3 Municipal Functions

a) Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes

Chapter 3: Service Delivery Performance

Municipal Function	Municipal Function Yes / No
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlors and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes

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Municipal Function	Municipal Function Yes / No
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 73.: Functional Areas

b) Performance Highlights per Functional Areas

Directorate/ Functional area	Sub Directorate	Highlights
Council and Municipal Manager	Internal Audit	<p>Internal Audit Services, representing Overstrand Municipality has been appointed to the following leadership positions:</p> <ol style="list-style-type: none"> 1. Deputy Chairperson of the Chief Audit Executive forum of the Western Cape municipalities. 2. Chairperson of the Technical Sub-committee of the Chief Audit Executive forum of the Western Cape municipality; and 3. Member of the Chief Risk Officer forum of the Western Cape municipalities.
Management Services	Communications	<p>External</p> <ul style="list-style-type: none"> → Municipal Newsletter (Bulletin) – 12 (monthly fully available in Afrikaans, English and isiXhosa) → Website: 352 updates (283 word documents, 109 images and 165 PDF's) → Media releases and opportunities used: 235 → Events/Handovers/Commissioning: 43 → Special requests (speeches, designs, projects): 127 → Corporate advertising and special notices: 88 <p>Internal</p> <ul style="list-style-type: none"> → Staff Newsletter (Phambili) – 6 times (Afrikaans/English and isiXhosa) → Internal Communication Committee – 4 meetings <p>Other</p> <ul style="list-style-type: none"> → Reviewed Communication Strategy and drafted Communication Policy → Corporate Identity Policy approved → Junior Council – best practice model → Grants-in-Aid: 2011/12 – 22 grants to the value of R730000 paid out; 2012/13 – more than 70 applications processed → Water Saving Awareness Campaign helped to reduce water consumption in Greater Hermanus with a third and avert a total crisis. → Moral Standards Campaign promotes common values in society. → Orientation tours for Councilors → Involvement in Tournament of Mayoral Cups project → Citizen Satisfaction Survey completed

Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
	Information Technology	An ICT Architecture framework was established. This framework is based on a best practice open architecture to ensure that future business systems to be deployed will fit into the same architecture framework to enable a seamless integration of data between business systems with different functionalities
		As part of the ICT Architecture Framework the Municipality has decided to align its ICT service delivery platforms primarily on Microsoft products and toolsets. Microsoft Office 2010 has been procured for deployment on all workstations and Windows 2008 has been procured for deployment on the Servers in the Data Centre
		Overstrand has developed its own Special Conditions of Contracting (SCC) for ICT related services. This SCC now forms part of all tender documentation and will ensure full compliance by service providers to all regulatory requirements and policy frameworks
		Developed a real-time GFS reporting system to assist with the ongoing monitoring and management of operational expenses
		Development of a database system for Ward Based Planning in line with the strategic directions for the revised IDP for 2012 to 2017
		In collaboration with the Human Resources Department a new Leave Sub-system was introduced that enables employees to electronically capture their own leave, thus doing away with the traditional Leave Register that need to be completed manually. As at end June 2012, the implementation of this project was still in progress at end June 2012, but will be completed during the first quarter of the 2012/2013 financial year
	Legal Services	Data Centre Virtualization Project. This project was started during the previous financial cycle and was commissioned during the 2011/2012 financial year: <ul style="list-style-type: none"> → Optimization of Data Centre resources - A single platform for all business applications and its respective databases. Will also simplify future upgrades to Data Centre services and systems; → Improved redundancy in case of hardware failures – automated recovery when disc failures occur; → Improved performance and throughput – less overheads in processing data between systems; Costs savings – Reduced licensing costs by processing multiple applications on one single platform and also reduced environmental costs (i.e. Power, air conditioning and floor space required for hosting the servers.)
		The introduction and co-ordination of the operations of an Ombudsman Committee to hear public complaints
Financial Services	Supply Chain Management	The establishment of a Contract Management section. A Contract Manager was appointed on 1 June 2012 to monitor all the contracts maintained by the municipality and to ensure that all contracts are properly managed, reported, finalised and revised where applicable
		The Supply Chain Management Policy has been amended twice. Policy amendments were enforced by the promulgation of the Preferential Procurement Regulations, 2011 in November 2011 and once again during the annual review of budget-related policies

Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		The roll-out of the electronic requisition system for the entire municipality The electronic requisitioning system has been rolled out from 01 July 2011 on the SAMRAS DB4 Financial Management System. Therefore it has reduced the involvement of officials from user-departments in the procurement processes except for the provision of specifications
	System Administration	1 Staff member attended the competency level course
		Security levels on the financial system were upgraded
		New billing tables and formulas in accordance with the 2011/12 budget were implemented successfully and levied on a monthly basis
	Revenue	New format for accounts that includes a graph of 24 months water consumption
		96% collection rate over 90 days In-house collection unit up and running
		<u>Indigent Household Register</u> <u>Financial Year Amount Households</u>
		30 June 2012 5,852
		30 June 2011 5,241
		30 June 2010 2,864
	Budget	15 officials successfully completed the Local Government Accounting Certificate. 11 officials currently busy
		Municipal Financial Management Programme – which will result in the attainment of the competency levels in terms of the Competency Regulations (5 officials completed - awaiting final results; 6 officials currently busy)
		The comprehensive quarterly budget statement as per the Municipal Budget and Reporting regulations was introduced to Council during 2011/2012.
		The compilation of quarterly financial statements was introduced during 2011/2012
		All required monthly, quarterly, semi-annual and annual National Treasury return forms (Appendix B) and all required National Treasury budget return forms relating to the draft, final and adjustments budgets were submitted during 2011/2012 (MFMA & MBRR)
		The AFS for 2010/2011 financial year were submitted by 31 August and we received an unqualified audit report
	Expenditure and Asset Management	Municipal Financial Management Development Programme - Five officials completed the training i.r.o. the Minimum Competency Regulations
		Municipal Financial Management Programme Training - Four officials, out of twenty people in this division, attended the Municipal Financial Management Programme Training, which will result in the attainment of the competency levels in terms of the MFMA Competency Regulations
		A Costing function was added to the Expenditure and Asset Management division during 2010. This section has been responsible

Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<p>for the implementation of a Job Costing Framework in respect of Ward Specific Projects and LLP Projects as a first phase. The implementation of a Capital project / Asset Component Framework as from 1 July 2011 was the next step in the utilizing of the costing system. This development now enables the municipality to implement GRAP principles regarding componentization as from project execution stage</p> <p>A Creditor Reconciliation Statement component, enabling the Creditor Section staff to reconcile to Supplier Statements in employing an integrated and verified approach, was developed in-house and subsequently incorporated by Bytes Systems Integration (Pty) Limited as part of the SAMRAS Financial System, now available to other SAMRAS Users as well</p>
Community Services	Hangklip/Kleinmond Administration	<p>The liaison between the Overstrand Municipality and the different sectors of the community at grassroots level took place with results of an extremely high standard, due to the ward committees for Wards 9 and 10 which operated effectively.</p> <p>Eighteen ward committee meetings collectively for Wards 9 and 10 were held, eight public meetings and ten ordinary meetings. An average attendance of 9 members out of the ten elected members was achieved. Items on the agenda relating to the municipal budget and the development of infra-structure in the different wards, proofed to be matters which were discussed in much detail.</p> <p>The owners of the newly built 411 low cost houses and also the residents in the informal settlement structured themselves in residents associations. This practice proofed to be highly successful and fruitful communication took place regarding matters of concern to the greater community.</p> <p>The upgrading of the tennis, rugby and soccer facilities was identified as projects which were on the priority lists of the sport clubs.</p> <p>The Pikkewyntjie Crèche and the Siyabulela Crèche successfully applied for the extension of their facilities, and will hence be able to accommodate additional classes of pre-school children.</p> <p>The two community halls in Kleinmond were upgraded to a high standard and communities can now book and utilize the halls for a variety of functions.</p> <p>The Palmiet and Kleinmond Caravan Parks were successfully managed. Bathroom furniture in the ablution facilities were upgraded, trees and shrubs were cut back and alien vegetation was removed. Both caravan parks were fully booked during the December school and Easter school holidays.</p> <p>Kleinmond beach once again obtained blue flag status and evaluations proofed that a high standard of management by the municipal officials were rendered.</p> <p>The penguin colony at Stony Point was well managed and more than 750 000 people visited the colony. The visitor's register is testimony of the complements received by the many local and foreign visitors.</p> <p>Blue drop status was obtained for both the Kleinmond and Buffels River Water Treatment Works. Favorable monthly reports on the quality of the water were received.</p> <p>The newly installed sewerage infra-structure in Harbour Road, Kleinmond, as part of the Kleinmond Harbour Development, was completed. Business, as well as single residential properties along</p>

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Directorate/ Functional area	Sub Directorate	Highlights
		Harbour Road, was connected to the municipal sewer network. Harbour Road was re-built and the area is now a well visited tourist attraction.
		The ablution facility at the Main Beach, Betty's Bay was upgraded.
	Hermanus Administration	Blue/Green Drop status
		Cliff paths rehabilitation and construction
		Blue Flag status: successfully managed 3 international blue flag beaches for Blue Flag season 1 December 2011 until 31 March 2012, namely Hawston swimming beach, Grotto swimming beach and Kleinmond swimming beach
		Replant and beautify Voëlklip circle
		Tarring of streets in Sandbaai
		Installation of speed calming measures in Zwelihle
		Installation of storm water in Zwelihle
		Installation of stormwater in Hermanus
	Stanford Administration	The introduction of Government's EPWP initiative for clean up along water courses is making a huge impact along the Klein River. The Khoisan Group, consisting of 10 local people, is very enthusiastic and hard working and has made and is still making a big difference in Stanford.
	Housing Administration	The handover of 378 housing units to beneficiaries
		Handover of title deeds to 13 beneficiaries of the Betty's Bay housing project by the Mayor on 21 December 2011
		The successful bi-annual survey of the informal settlements - 3421 units were counted and verified
	Special Projects	Women's day celebrations
		Mayoral cricket cup
		Rugby and soccer training clinic
Protection Services		42 local labour promotion projects and employed 117 people
	Fire Management	Despite the challenges regarding equipment and manpower, the fire brigade could face up to all emergencies and unforeseen circumstances. All personnel, volunteers and reservists received ongoing formal and in-service training to improve fire fighting skills. Several fire awareness education sessions were held at various schools and other venues. The response times to emergencies could be reduced as 24 hour manned fire stations were introduced.
	Law Enforcement and Security Services	With the rise in crime in South-Africa the mind set of average South Africans is that anything goes. This challenged the Law Enforcement Department in the executing of their duties. Projects regarding Illegal Businesses, Dogs and Cats as well as the reallocation of Homeless people were undertaken. A temporary night shelter for homeless people could, with the help of the Overstrand Poverty Alleviation Forum, be established in Hermanus. A project regarding Car Washers and Car Guards were successfully installed. The safety of the residents and tourist in the Overstrand were addressed with extra personnel

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Directorate/ Functional area	Sub Directorate	Highlights
		being employed during festive season and other main events. An application to the Provincial Justice Department requesting the establishment of an additional court dealing in municipal matters, were submitted. This court will be able to ensure that all perpetrators regarding municipal legislation will be brought to justice.
	Traffic Services	Challenges such as shortages of manpower and vehicles did not prevent the Traffic & licensing department to deliver excellent service. The whole Overstrand Area was serviced with regard to speed monitoring and general traffic law enforcement. Assistance during big events assured safety for road users as well as the people attending the event. Co-operation between the traffic service and other law enforcement agencies with regard to pro-active activities assured the success of the Arrive Alive Campaign. With the financial aid of Provincial Government, an impoundment facility for the impoundment of vehicles in contravention to the National Land Transport Act could be established. This facility will be used by surrounding municipalities and law enforcement agencies to prevent accidents and fatalities in the human transport industry.
Economic Development and Tourism	LED	<p>→ Development of economic spaces</p> <p>Taxi ranks / CBD development in townships did not only provide needed infrastructure, but improved transport movement, provided accommodation for local enterprises and beautification of townships</p> <ul style="list-style-type: none"> • Zwelihle 16 stalls for enterprises • Hawston 11 • Thembelihle 5 • Masakhane 13 <p>→ Contractor Development Programme</p> <p>The programme is implemented in partnership with the Department of Public Works aimed at provided capacity to emerging contractors to increase their competitiveness and improve legal standing</p> <ul style="list-style-type: none"> • 60 emerging contractors assisted through the programme making business with the municipality to the amount of R7,5million • 80% improved CIDB rating and compliance [company registration, tax clearance and improved business practices] <p>→ Growing informal trade</p> <p>Informal trade has grown significantly amongst all sectors due to a friendly and conducive climate to grow businesses in the Overstrand</p> <ul style="list-style-type: none"> • Informal sector contributing 15% of economic growth in the area <p>→ Improved economic growth</p> <p>The Overstrand maintained its status as a growth potential town by registering the fastest GGDP growth in the Overberg District at 6.6% in 2011, making it the second largest contributor to the regional GGDP. The Overstrand has developed a well diversified economy which has experienced growth all round.</p> <p>→ Expanded Public Work</p> <p>The Overstrand Municipality signed a protocol and incentive</p>

Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<p>agreements with Public Works to provide 146 job opportunities in the 2011/12 financial year. The municipality over performed by more than 300% providing over 700 jobs in at financial year end increasing its chances for increased financial incentive for the provision of more jobs.</p> <p>→ Establishing a one-stop information facility for access to livelihoods</p> <p>Communities can visit the LED department and be able to access information to assist in developing own ideas and finding other livelihoods relevant to their survival for:</p> <ul style="list-style-type: none"> • Business development and management • Access to financial and non-financial resources • Job opportunities, etc. <p>Advertisements placed/media coverage received:</p> <p>→ <i>Cape Etc.</i> magazine, a bi-annual publication with a distribution figure of 10 000 copies. Adjacent to the advertisement, a six-page article appeared in the June to December 2012-issue with a feature article on 'Road tripping through the Cape Whale Coast'. The journalist, Tanya Meeson, visited the Overstrand early March 2012.</p> <p>→ Overstrand Tourism Manager conducted two radio interviews with Whale Coast FM on Janet Marshall's Travel and Tourism weekly radio programme.</p> <p>→ Advertisements and info about the four towns appeared in the 2012 Autumn Breakaway-supplement of the Hermanus Times (60 000 copies were printed - 8 000 distributed in the Eikestad News, 16 000 in the District Mail, 7500 in Hermanus Times, and 30 000 will be 'knock and dropped' in the Southern & Northern suburbs of Cape Town (LSM 9 +)).</p> <p>→ Cape Whale Coast contributed towards the re-printing of the Overberg Wine Guide. After only five months from being published, the full print run of 30 000 copies of the Overberg Wine Guide have almost all been distributed.</p> <p>Hosting of media groups:</p> <p>→ J&B Met Media group (consisting of local and international journalists, TV crew members and radio presenters from BBC UK, Vuzu TV, Metro FM, City Press, Umhlobo Wenene FM, Herald, New Age and Travel News Now).</p> <p>→ Assisted with the visit of ±60 travelers, mainly from the United States, who travelled to the Cape Whale Coast on-board the luxury, Clipper Odyssey boat.</p> <p>→ Peter Burdin, BBC Africa Bureau Editor, who visited the Cape Whale Coast as part of the J&B Met Media group, was so impressed with the Hermanus Wine Valley that he paid a return-visit to our destination. Together with a group of five people, he visited the Hermanus Wine Valley on 30 April 2012.</p> <p>→ CTRU (Cape Town Routes Unlimited) hosted their 'Your Best Summer Ever' Activation (summer campaign) in Gansbaai and Stanford on 23, 24 and 25 March 2012. Some celebrities, bloggers and media were invited, and a farewell dinner was hosted at Grootbos on 24 March 2012.</p>

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Directorate/ Functional area	Sub Directorate	Highlights
		<p>Appointment of Tourism Advisory Committee: An Overstrand Tourism Advisory Committee was appointed in February 2012, consisting of four chairpersons of each tourism bureau and five individuals from Overstrand towns. The committee will meet quarterly, but may be called for a meeting whenever deemed necessary, to amongst others consider policies and practices relating to the promotion of tourism as well the marketing of the area as a tourism destination.</p> <p>Production of marketing material:</p> <ul style="list-style-type: none"> → The Cape Whale Coast-logo has been redesigned and incorporated in the new marketing collateral. The new logo encapsulates the names of the four towns. → The new Cape Whale Coast map and promotional bags were produced and distributed at Indaba 2012. The map incorporates an Events Calendar, a Cape Whale Coast QR-code which links to street maps of each town. 5 000 maps were printed and are distributed to identify distribution points. <p>Marketing shows & exhibitions:</p> <ul style="list-style-type: none"> → Cape Whale Coast exhibited at the Cape Argus Cycling Expo and created a platform for three local tourism products, Fynbos Retreat, The Shark Lady and Shark Diving Unlimited to share exhibiting space with us. Attendance grew by 11% to just over 86 000 visitors over the three days, in comparison to last year's figures. 53% of visitors to the Expo were from the Western Cape, followed by 23.81% from Gauteng. → Cape Whale Coast exhibited at the Cape Getaway Show, which took place from 23 – 25 March 2012 at Lourensford, Somerset West. 17 862 travel and outdoor fans visited this exhibition- a 10% increase in public turnout compared to 2011. Creation Wines and Klein River Cheeses provided wine and cheese tastings at our stand. → Participated at this year's Tourism Indaba in Durban on CTRU's Cape Town & the Western Cape stand from 12 - 15 May 2012. Regional tourism organizations were represented on the Western Cape stand, which was located in the Durban Exhibition Centre (DEC). <p>Tourism Development:</p> <ul style="list-style-type: none"> → Overstrand Municipality LED & Tourism together with TEP (Tourism Enterprise programme) held a Tourism Awareness workshop on 17 May 2012 in Hermanus. Eighteen individuals/SMMs from the Overstrand have attended this workshop which aimed to provide information to those individuals interested in starting up and operating within the tourism industry. Ten individuals were selected to undergo a 'needs assessment' exercise which was facilitated by Head Up Training & Development. These SMMs will undergo further training in marketing. <p>Support Festivals/Events in the Overstrand: Overstrand Municipality supported various festivals in the region to attract more visitors to our area. They are:</p> <ul style="list-style-type: none"> → The Big Blues Music Festival: 25% increase in visitor numbers. Over 1700 people attended this music festival in Kleinmond, 2-3

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Directorate/ Functional area	Sub Directorate	Highlights
		<p>March 2012.</p> <p>→ Fees van die Ganse: Held from 29 June to 1 July 2012. ±3 000 people attended.</p> <p>Tourism Barometer Feedback:</p> <p>Feedback session was held for the public. Anneline Hugo from PriceWaterhouseCoopers reported back on the methodology used and the survey results for the summer period, November 2010 to February 2011.</p>
Infrastructure and Planning Services	Building Services	Compliant plans approved within 21 days range between 95% - 100%. Building projects completed on time. 3 475 Inspections completed. 1 424 Plans approved.
	Environmental Services	<p>→ The Overstrand Environmental Section received R700 000 from the Working for Water (WWW) Programme in order to expand the office space at Onrus where the entire Hermanus EMS and Working for Water personnel are accommodated. This new extension of the old building has increased the value of the property and asset of the municipality.</p> <p>→ The first National Blue Flag Workshop was hosted at Overstrand Municipality and was such a great success that WESSA decided to also host the National Blue Flag Ceremony at the municipality.</p> <p>→ The National WfW Programme changed management authorities from Department of Water Affairs to Department of Environmental Affairs in September 2011.</p> <p>→ The Wow Programme achieved an expenditure of 111% of the original budget and in recognition of good performance, the Department increased the funding as follows:</p> <p>2009/2012 – R 3.1m</p> <p>2010/2011 – R 4.7m (52% increase on previous year)</p> <p>2011/2012 – R 6.0m (28% increase on previous year)</p> <p>→ The Working for the Coast Programme has spent 52% of their 2 year funding of R11m on coastal management and other environmental matters</p>
	GIS	Our ADF web applications were replaced and rebuilt with the new Flex web applications introduced by ESRI during the ESRI User conference in July 2011. We also upgraded from ArcGis 10 to a ELA (Enterprise Licence agreement licence) the only small municipality to receive this licence. It gives us more licences and access to more of the extensions available. Besides the many facets of GIS, the biggest projects currently worked on is the road centre line rectification and Heritage verification
	Project Management and Development Control	Certificate received from Department of Local Government in recognition of achieving 100% expenditure of the 2011/2012 MIG allocation
	Town Planning, Spatial Development and Property Administration	<p>Spatial Development (Housing): The Kleinmond Housing project consisting of 410 housing units and services was completed during December 2011, as well as 13 housing units in Mooiuitsig (Betty's Bay)</p> <p>Integrated Scheme Regulations completed and submitted to province for approval.</p>

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Directorate/ Functional area	Sub Directorate	Highlights
		Appointment of Manager: Property Administration.
	Engineering Planning	<p>Waste Management: Greenest Town – Runner up in the Waste Section and winner of the National Competition</p> <p>→ Waste Water (Sanitation): Green Drop status for the Greater Hermanus Scheme: The Hermanus WWTW scored 92.1 % in the Green Drop evaluation. Giving it Green Drop Status.</p> <p>→ 9th Position in Green Drop nationally: Overstrand Municipality's Overall Green Drop score of 88.8 % put it in 9th position nationally with respect to Green Drop.</p> <p>→ Upgrading of the Hermanus WWTW: Refurbishment and upgrading of the Hermanus WWTW is well in progress.</p> <p>Water Provision: Significant improvement in Blue Drop Status: The municipality's overall Blue Drop score improved from 90.56% in 2011 to 96.82% in 2012 (national from 24th position to 12th position). The three Blue Drops of 2011 increased to 5 Blue Drops in 2012: Hermanus, Kleinmond, Buffels River, Gansbaai and Pearly Beach.</p> <p>Franskraal WTW best small plant nationally: The Franskraal WTW received an award at the WISA conference for being the "most impressive small water treatment plant in the country".</p> <p>Refurbishment and upgrading of the Preekstoel WTW: The Preekstoel WTW was refurbished and a new biological treatment plant is being constructed for groundwater treatment. The capacity of the entire facility will increase from 24 to 38 Ml/day on completion.</p> <p>Development of Koude Vlake well field in Stanford: The development of two new boreholes and a new bulk pipeline to the Stanford reservoir was completed.</p>

Table 74.: Performance highlights per functional area

c) Overview of performance per directorate

The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the SDBIP for the 2011/12 financial year and where applicable, in comparison to the 2010/11 financial year.

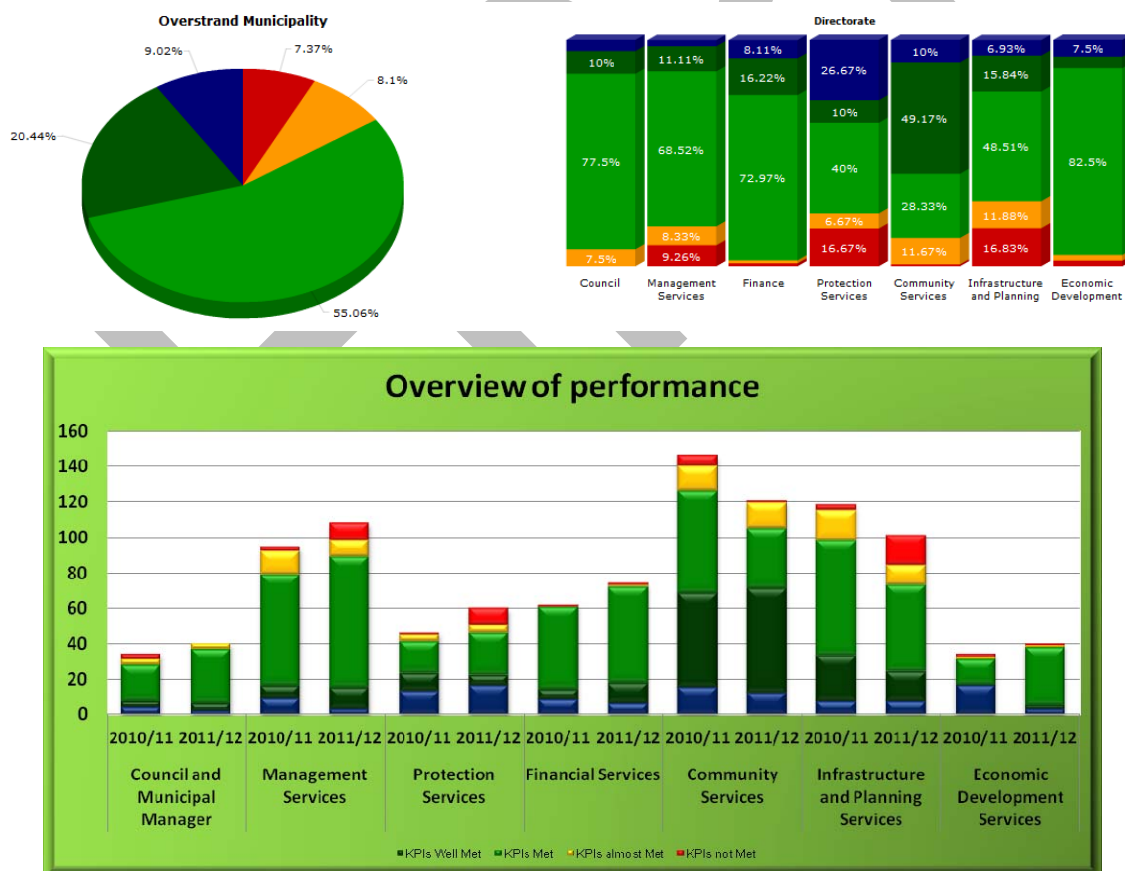
Directorates	Financial Year	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met	% of KPI's met (100% and above)
Council and Municipal Manager	2010/11	34	4	3	21	3	3	82
	2011/12	40	2	4	31	3	0	93
Management Services	2010/11	94	9	7	63	13	2	84
	2011/12	108	3	12	74	9	10	82
Protection Services	2010/11	46	13	10	18	4	1	89
	2011/12	60	16	6	24	4	10	77

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Directorates	Financial Year	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met	% of KPI's met (100% and above)
Financial Services	2010/11	62	8	6	47	0	1	98
	2011/12	74	6	12	54	1	1	97
Community Services	2010/11	146	15	53	58	14	6	86
	2011/12	120	12	59	34	14	1	88
Infrastructure and Planning Services	2010/11	118	7	26	65	17	3	83
	2011/12	101	7	17	49	11	17	72
Economic Development Services	2010/11	34	16	1	14	1	2	91
	2011/12	40	3	2	33	1	1	95

Table 75.: Summary of total performance per Directorate

The graphs provide an illustrative overview of the overall performance results of all the KPI's measured as at 30 June.



Graph 5.: Overall performance of directorates for 2010/11 and 2011/12 respectively

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d) Performance per functional area (Departmental/Operational SDBIP)

i) Council and Municipal Manager consists of the following divisions:

- Council
- Municipal Manager
- Internal Audit

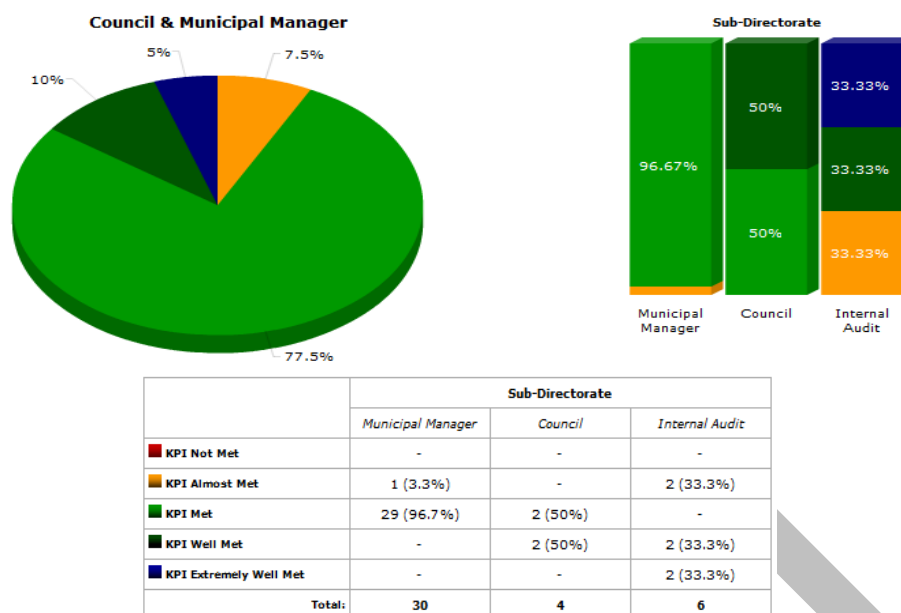
The Operational Key Performance Indicators for Council and Municipal Manager are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Basic Service Delivery	Basic services and infrastructure	Provision and maintenance of municipal services
Local Economic Development	Local Economic Development	Promotion of tourism, economic and rural development

Table 76.: Functional alignment – Council and Municipal Manager

The following graph indicates the performance of the various sub-directorates within Council and Municipal Manager directorate

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Graph 6.: Council and Municipal Manager sub-directorate performance

ii) Management Services consists of the following divisions:

- ➔ Director: Management Services
- ➔ Communications
- ➔ Council and Support Services
- ➔ Human Resources
- ➔ Information Technology
- ➔ Legal Services
- ➔ Strategic Services

The Operational Key Performance Indicators for Management Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

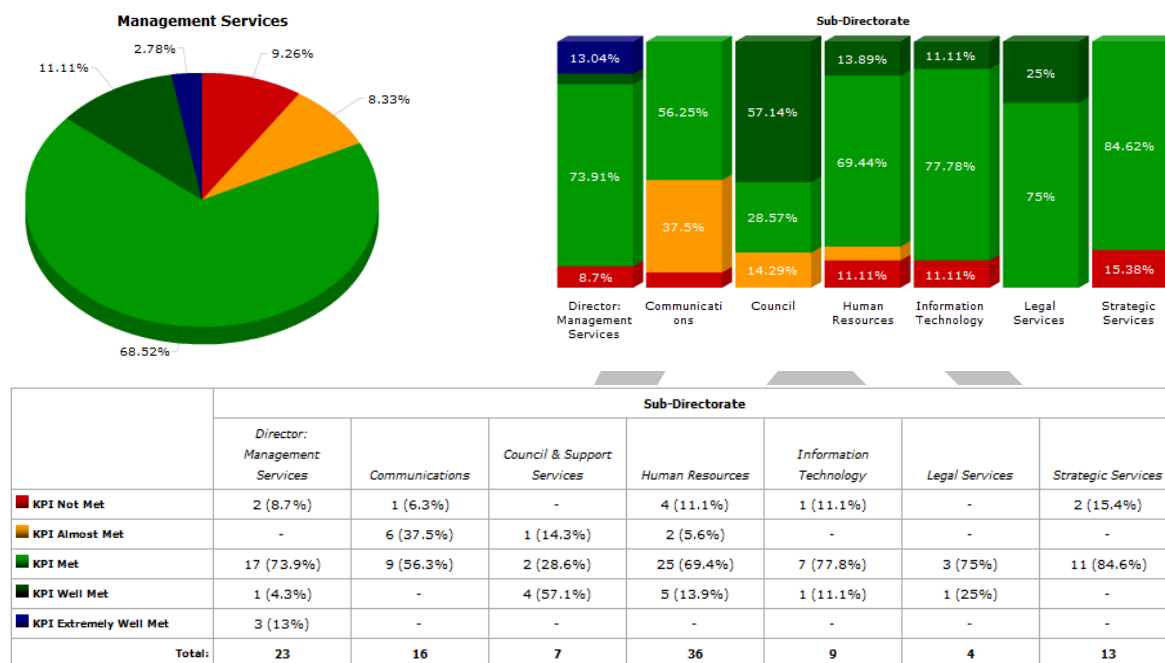
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Basic Service Delivery	Basic services and infrastructure	Provision and maintenance of municipal services
Local Economic Development	Local Economic Development	Promotion of tourism, economic

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National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
		and rural development

Table 77.: Functional alignment – Management Services

The following graph indicates the performance of the various sub-directorates within the Management Services directorate



Graph 7.: Management Services sub-directorate performance

iii) Finance consists of the following divisions:

- ➔ Director: Finance
- ➔ Accounting Services
- ➔ Deputy Director Finance
- ➔ Expenditure and Asset Management
- ➔ Revenue
- ➔ SCM
- ➔ Systems Administrator Finance

The Operational Key Performance Indicators for Finance are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

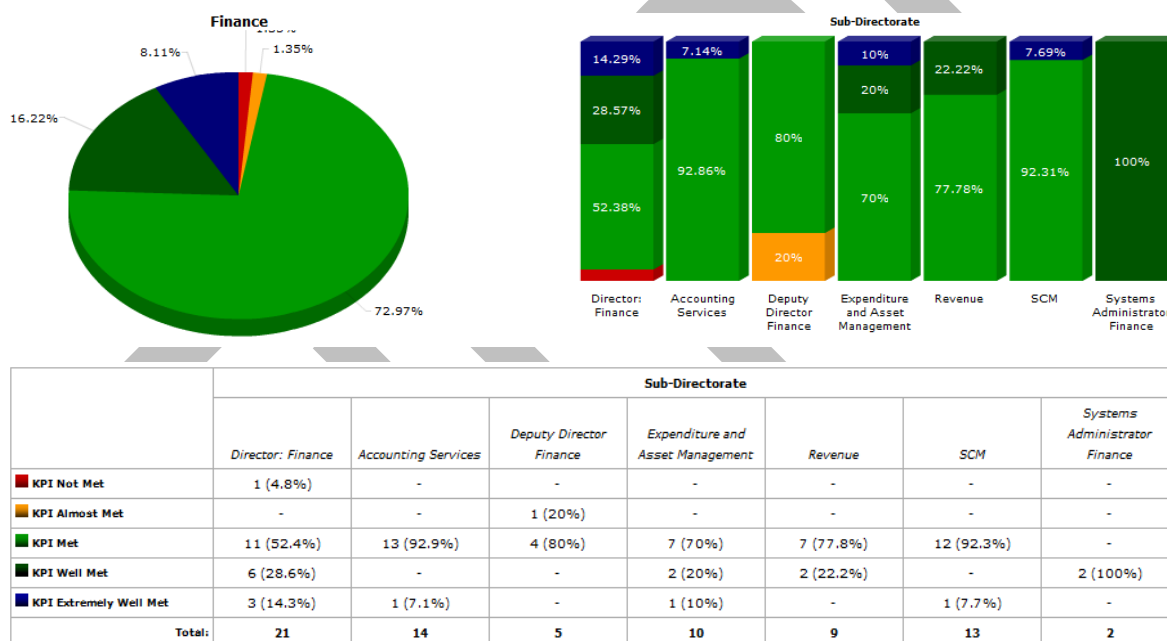
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
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National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Basic Service Delivery	Basic services and infrastructure	Provision and maintenance of municipal services
Local Economic Development	Local Economic Development	Promotion of tourism, economic and rural development

Table 78.: Functional alignment – Finance

The following graph indicates the performance of the various sub-directorates within Finance directorate



Graph 8.: Finance sub-directorate performance

iv) Community Services consists of the following divisions:

- ➔ Director: Community Services
- ➔ Deputy Director: Community Services
- ➔ Area Management: Gansbaai
- ➔ Area Management: Hangklip/Kleinmond
- ➔ Area Management: Hermanus
- ➔ Area Management: Stanford

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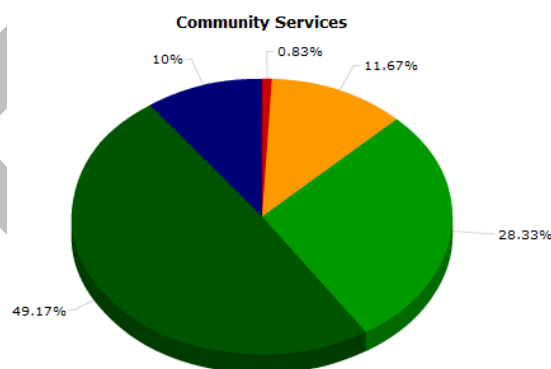
- Housing Administration
- Operational Management: Gansbaai
- Operational Management: Hangklip/Kleinmond
- Operational Management: Hermanus
- Operational Management: Stanford
- Special Projects

The Operational Key Performance Indicators for Community Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

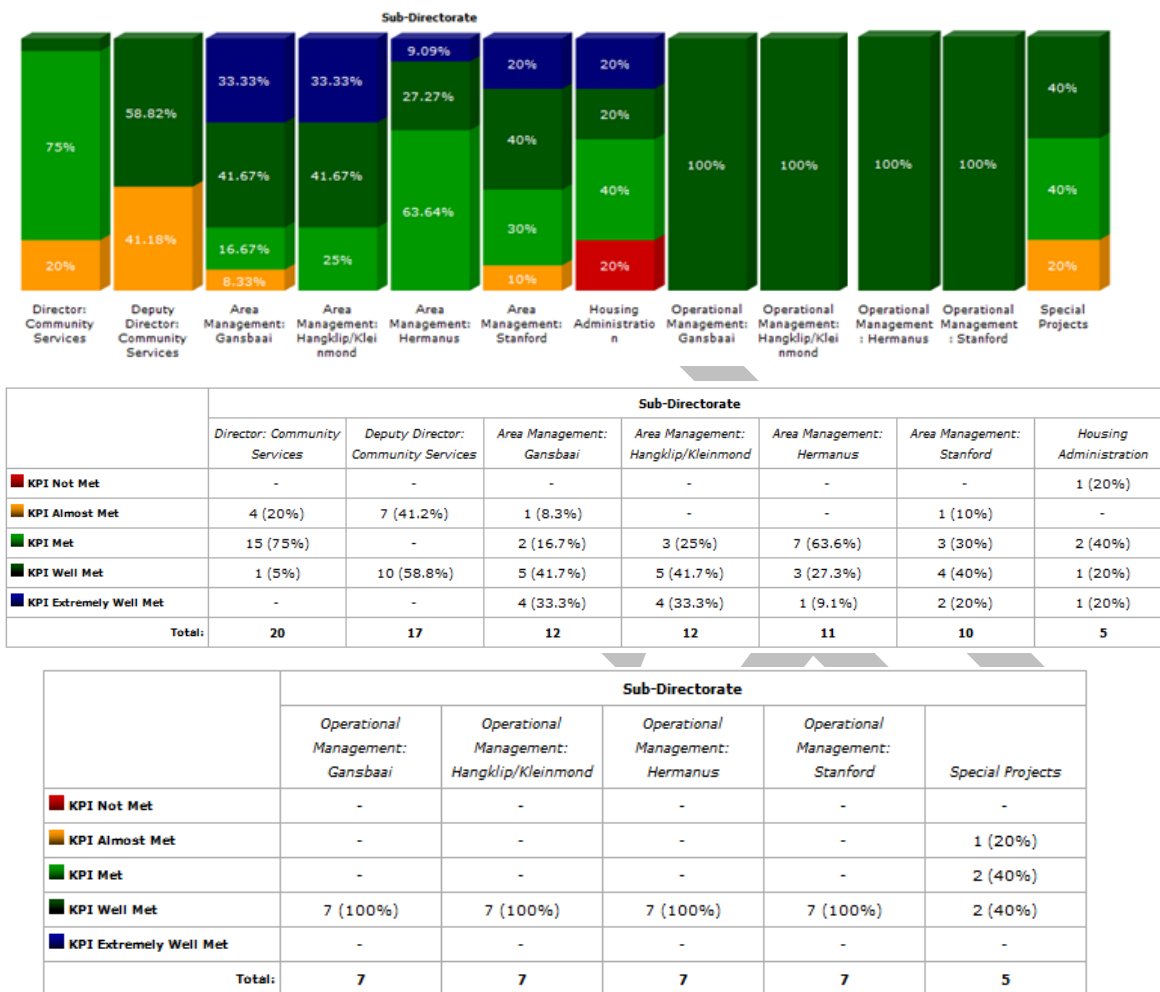
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

Table 79.: Functional alignment – Community Services

The following graph indicates the performance of the various sub-directorates within the Community Services directorate



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Graph 9.: Community Services sub-directorate performance

v) **Protection Services consists of the following divisions:**

- ➔ Director: Protection Services
- ➔ Fire Management
- ➔ Law Enforcement and Security Services
- ➔ Traffic Services

The Operational Key Performance Indicators for Protection Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

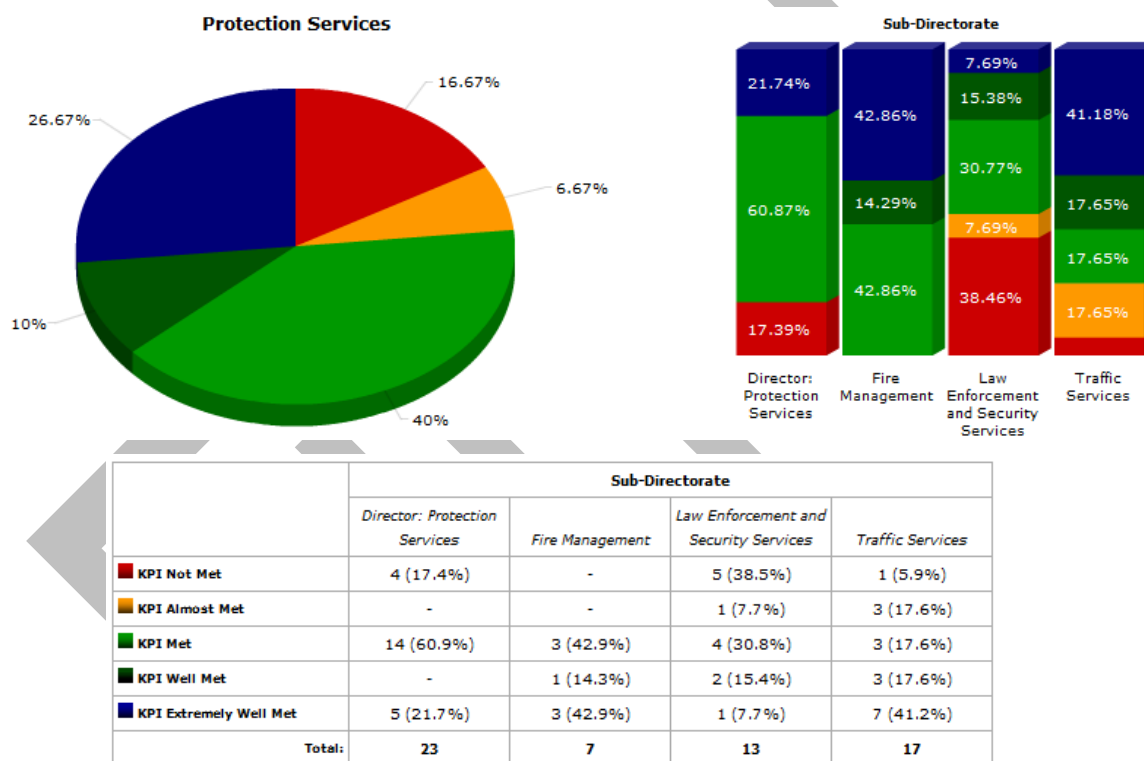
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and	Financial viability	Provision of democratic and

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National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Management		accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

Table 80.: Functional alignment – Protection Services

The following graph indicates the performance of the various sub-directorates within the Protection Services directorate



Graph 10.: Protection Services sub-directorate performance

vi) *Infrastructure and Planning Services consists of the following divisions:*

- ➔ Director: Infrastructure and Planning
- ➔ Building Services
- ➔ Electricity distribution and street lighting: Gansbaai & Stanford
- ➔ Electricity distribution and street lighting: Hermanus & Hangklip/Kleinmond
- ➔ Environmental Services

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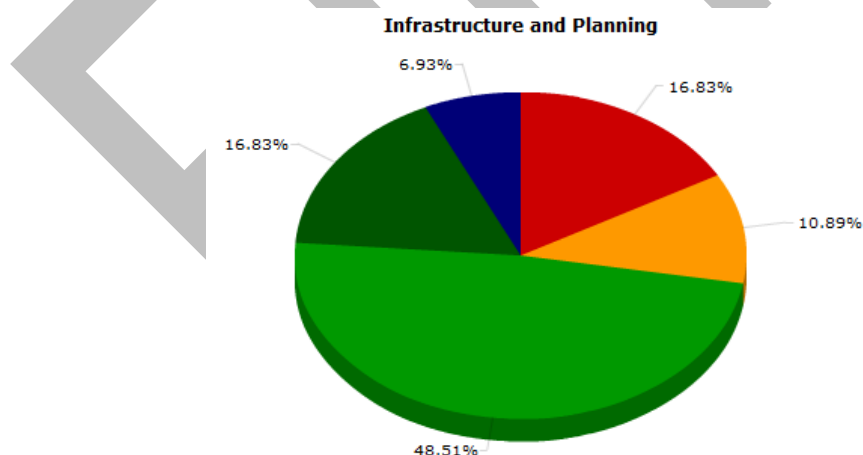
- GIS
- Engineering Services
- Town Planning, Spatial Development and Property Administration
- Engineering Planning

The Operational Key Performance Indicators for Infrastructure and Planning Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

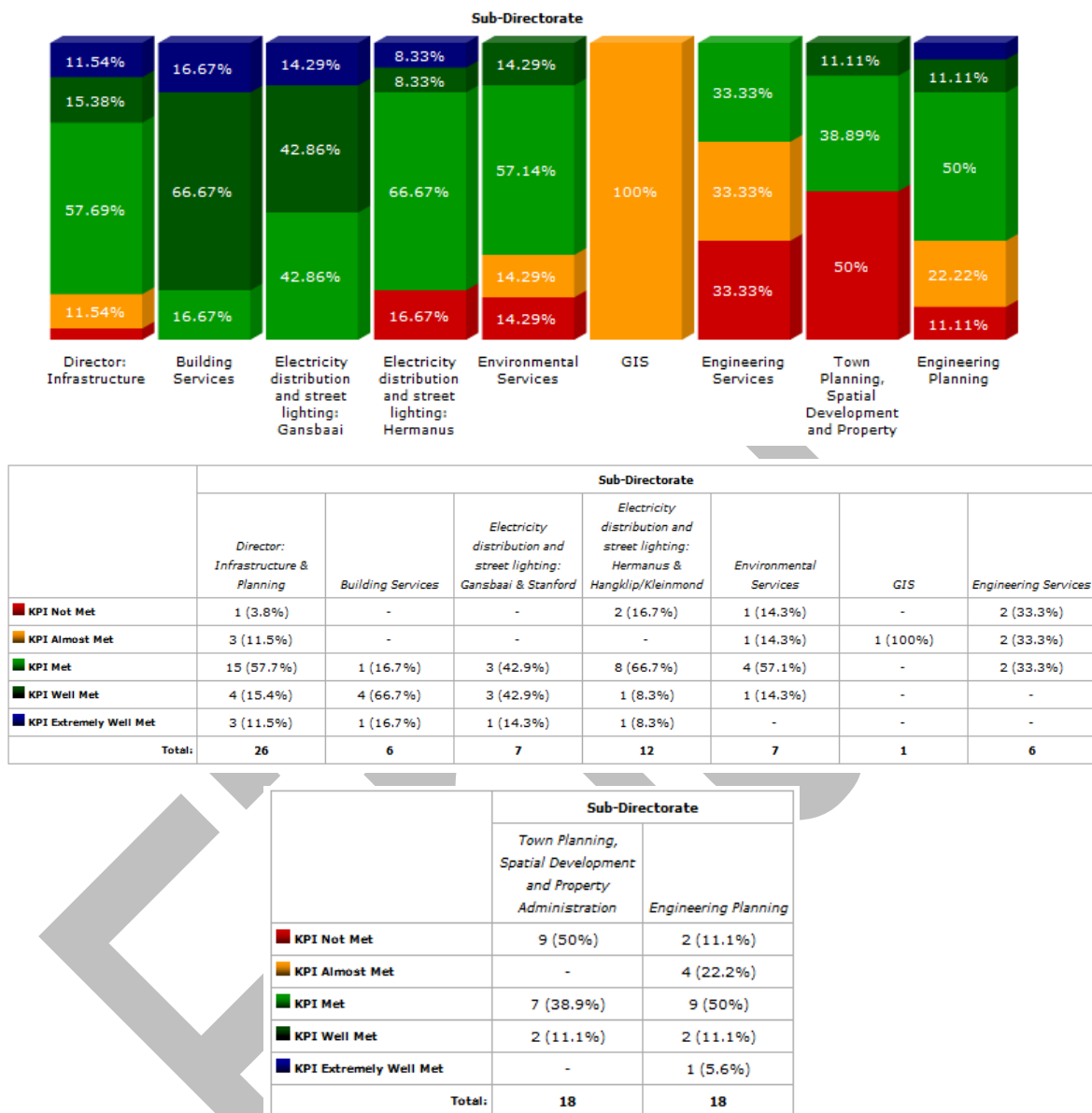
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

Table 81.: Functional alignment – Infrastructure and Planning Services

The following graph indicates the performance of the various sub-directorates within Infrastructure and Planning Services directorate



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Graph 11.: Infrastructure and Planning Services sub-directorate performance

vii) *Economic Development Services consists of the following sub functions (sub directorates):*

- ➔ Director: Economic Development
- ➔ LED

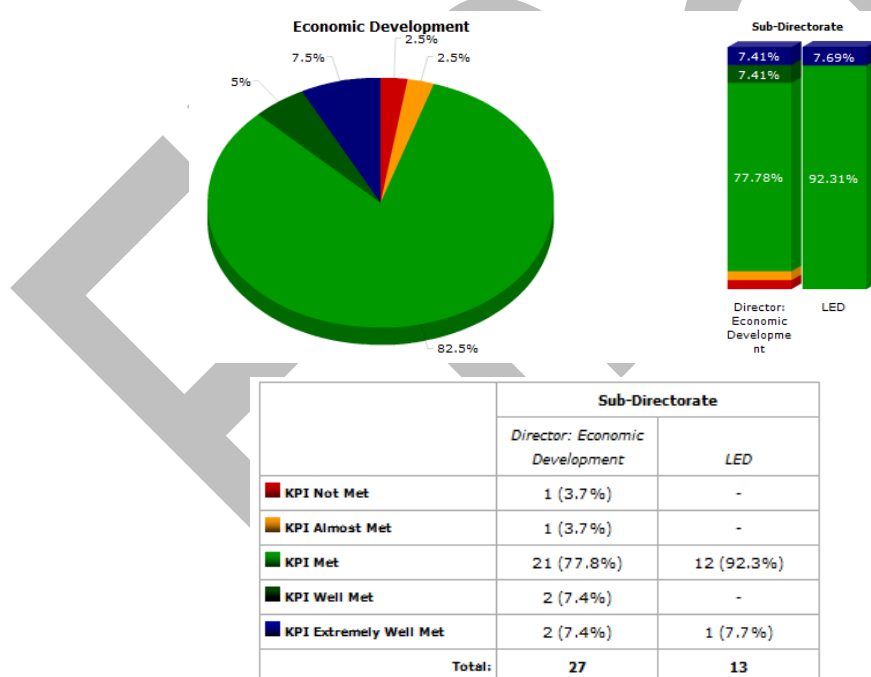
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The Operational Key Performance Indicators for Economic Development Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

Table 82.: Functional alignment – Economic Development Services

The following graph indicates the performance of the various sub-directorates within the Economic Development Services directorate



Graph 12.: Economic Development sub-directorate performance

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3.3 COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.3.1 Water Provision

a) Introduction to Water Provision



Overstrand Municipality has 8 water schemes, providing water to more than 80 000 residents. Water sources include rivers, dams, boreholes, and fountains. All residents have access to at least a basic water supply service. The top priorities are to develop sufficient sources to address the housing backlog in the foreseeable future. A drought was experienced over the past two years in the Greater

Hermanus area. A major challenge was to balance supply and demand during this period. Water restrictions were implemented, and a strategy of diversifying water resources between surface water, groundwater, and eventually waste water re-use and seawater desalination was embarked upon.

The main projects for 2011/12 included the refurbishment and upgrading of the Preekstoel Water

Treatment Plant in Hermanus, which includes the development of two new well fields in the Hemel-



en-Aarde Valley, as well as the construction of a new biological treatment plant for iron and manganese removal from groundwater; completion of the Stanford Koude Vlakte well field development project, and a major water pipe replacement project covering most of the



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Overstrand areas. A project of household water leak repairs at indigent households was started.

The Water Services Development Plan has been approved by Council. A water demand management strategy is in place as part of the municipality's Turn Around Strategy, with the focus to decrease water losses. Overstrand Municipality obtained Blue Drop status in 2010/11 by receiving 3 Blue Drops. This figure increased to 5 Blue Drops out of a potential 8 in 2011/12. The municipality's overall Blue Drop score was 96.82%.

b) Highlights: Water Services

Highlights	Description
Significant Improvement in Blue Drop status	The municipality's overall Blue Drop score improved from 90.56% in 2011 to 96.82% in 2012 (national from 24 th position to 12 th position). The three Blue Drops of 2011 increased to 5 Blue drops in 2012: Hermanus, Kleinmond, Buffels River, Gansbaai and Pearly Beach.
Franskraal WTW best Small plant nationally	The Franskraal WTW received an award at the WISA conference for being the "most impressive small water treatment plant in the country".
Refurbishment and upgrading of the Preekstoel WTW	The Preekstoel water treatment works was refurbished and a new biological treatment plant is being constructed for groundwater treatment. The capacity of the entire facility will increase from 24 to 38 Ml/day on completion.
Development of Koude Vlakte well field in Stanford	The development of two new boreholes and a new bulk pipeline to the Stanford reservoir was completed.

Table 83.: Water Services Highlights

c) Challenges: Water Services

Description	Actions to address
Relatively high water losses in some areas	Water pipe replacement, leak repairs, pressure management, water meter replacement, public awareness.
Drought situation in the Greater Hermanus area	Water restrictions and public awareness. Further development of groundwater sources. Diversifying water resources with planned waste water reclamation plant.
Lack of suitably qualified technical staff	Ongoing training of staff
Ageing infrastructure	Increase maintenance budget and enhance asset replacement programmes

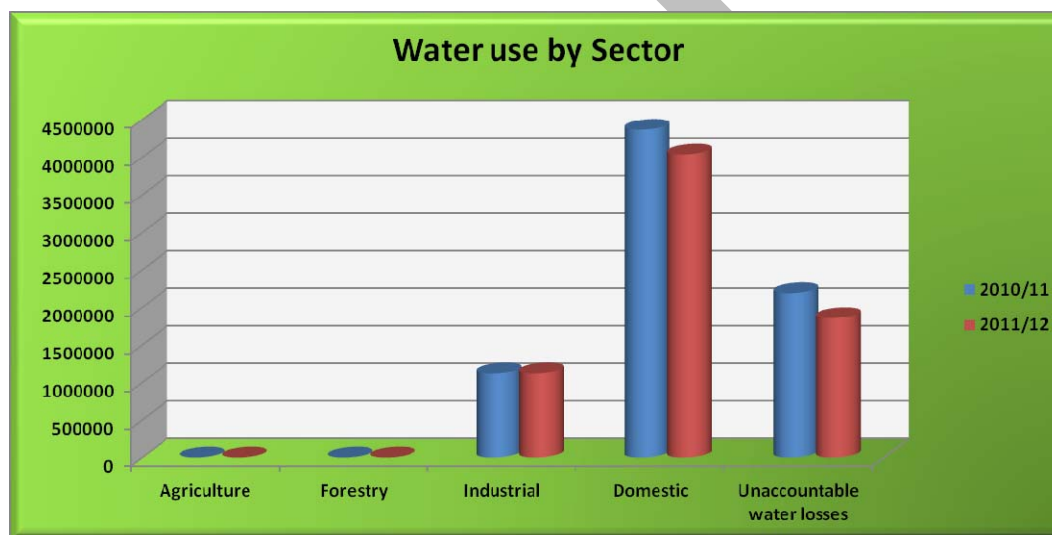
Table 84.: Water Services Challenges

Chapter 3: Service Delivery Performance

Total Use of Water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial	Domestic	Un accounta- ble water losses
2010/11	0	0	1 119 096	4 367 115	2 187 581
2011/12	0	0	1 120 359	4 040 527	1 858 105

The above figures for "Industrial" include commercial, industrial, and "other", being all non-domestic consumption. It is clear that water losses decreased significantly as a result of the water demand management program. The overall water demand also decreased as a result of water demand management, water restrictions, and public awareness.

Table 85.: Total use of water by sector (cubic meters)



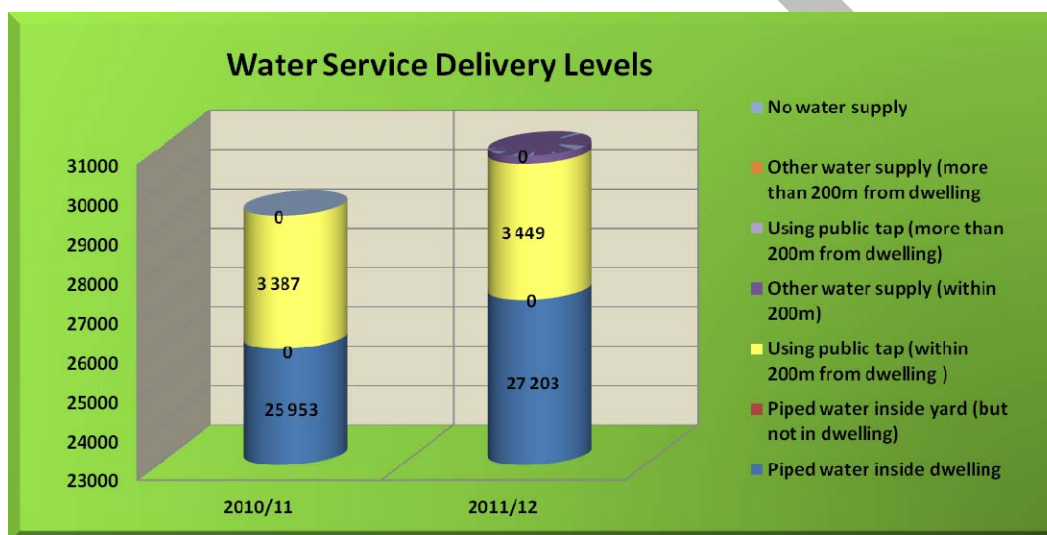
Graph 13.: Water use by sector

Water Service Delivery Levels		
Households		
Description	2010/11	2011/12
	Actual	Actual
	No.	No.
<u>Water:</u> (above min level)		
Piped water inside dwelling	25 953	27 203
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	3 387	3 449
Other water supply (within 200m)	0	199
<i>Minimum Service Level and Above sub-total</i>	29 340	30 851
<i>Minimum Service Level and Above Percentage</i>	100	100
<u>Water:</u> (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0

Chapter 3: Service Delivery Performance

Water Service Delivery Levels		
Households		
Description	2010/11	2011/12
	Actual	Actual
	No.	No.
No water supply	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0	0
Total number of households	29 340	30 851
<i>Include informal settlements</i>		

Table 86.: Water service delivery levels: Households



Graph 14.: Water Service Delivery levels

Access to Water			
Financial year	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2010/11	11.5%	100%	100%
2011/12	11.8%	100%	100%

* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute

6,000 litres of potable water supplied per formal connection per month

Table 87.: Access to water

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d) Service delivery indicators

Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL23	The provision and maintenance of municipal services	Maintenance of water services measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	New performance indicator for 2011/12. No comparatives available	90%	95.37%
TL24	The provision and maintenance of municipal services	Water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	All	99%	98%	100.59%
TL22	The management and conservation of the natural environment	Excellent water quality measured by the annual blue drop audit	% compliance as per the annual blue drop audit	All	90.56%	92%	114.74%
TL21	The provision and maintenance of municipal services	Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	All	27.78%	25%	27.25%
TL80	The provision and maintenance of municipal services	Upgrade of the Water Treatment Works in Hermanus	% completion of the project	3	New performance indicator for 2011/12. No comparatives available	98%	85%
TL74	The provision and maintenance of municipal services	Report on the implementation of the Water Service Development plan annually by the end of October	% completed	All	New performance indicator for 2011/12. No comparatives available	100%	100%

Table 88.: Service delivery indicators: Water services

Employees: Water Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%

Chapter 3: Service Delivery Performance

Employees: Water Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	25	25	25	1.25	5.0
4 - 6	12	12	10	2.48	20.7
7 - 9	16	16	15	1	6.3
10 - 12	13	13	13	0	0
13 - 15	3	3	3	0	0
16 - 18	0	0	0	0	0
19 - 20	1	1	1	0	0
Total	70	70	67	4.73	6.8
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 89.: Employees: Water Services

The majority of operators at water treatment plants need to obtain formal qualifications. Fulltime training is not possible due to the limited number of operators. The option of "recognised prior learning" should be implemented in co-operation with the Department of Water Affairs.

On the waternetwork maintenance there is a shortage of artisans with formal qualifications and the municipality is unable to attract candidates from other sectors with relevant experience.

These shortcomings are the most prevalent in the water and sewerage departments, compared to other service delivery departments in the municipality.

Capital Expenditure 2011/12: Water Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	63 457	63 457	57 332	6 124	123 754
Preekstoel WTW Upgrade	37 647	37 647	31 626	6 020	78 697
Water Pipe Replacement	12 000	12 000	12 000	0	25 000
Water Conservation/WDM	1 000	1 000	969	31	969
De Kelders WTW	8 873	8 873	8 765	108	11 887
Stanford Groundwater	3 737	3 737	3 701	35	7 000
Disinfection Systems	200	200	200	0	200
<i>Total project value represents the estimated cost of the project on approval by Council</i>					

Table 90.: Capital Expenditure 2011/12: Water Services

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Water supply capital budget spending for 2011/12 was at 96.8%. Of the main capital projects listed above, the Preekstoel WTW upgrade, as well as the Water Pipe Replacement project, is multi-year projects, and therefore not 100% completed in 2011/12 in accordance with planning. Adequate funding for maintenance and asset renewal remains a challenge.

Operating expenditure was exceeded by 1% (R82.6 million budget).

3.3.2 Waste water (sanitation) provision

a) Introduction to Sanitation Provision

Overstrand Municipality has 5 waste water schemes. All residents have access to at least a basic sanitation service.

The main challenges are to:

- ➔ provide sufficient waste water treatment capacity in all the schemes to be able to accommodate future growth and development and the planned new low cost housing projects;
- ➔ extend the waterborne sewer networks in the different towns; and
- ➔ eliminate the tanker truck service over time.

The Hermanus Waste Water Treatment Works (WWTW) are currently being refurbished and upgraded to provide adequate capacity for the future. Overstrand Municipality received a Green Drop for the Hermanus WWTW. The municipality's overall Green Drop score was 88.8%, giving it a place in the national Top 10 (9th position).



b) Highlights: Waste Water (Sanitation) Provision

Highlights	Description
Green Drop status for the Greater Hermanus scheme	The Hermanus WWTW scored 92.1% in the Green Drop evaluation, giving it Green Drop status.
9 th Position in Green Drop nationally	Overstrand Municipality's overall Green Drop score of 88.8% put it in 9 th position nationally w.r.t. Green Drop.
Upgrading of the Hermanus WWTW	Refurbishment and upgrading of the Hermanus WWTW is well in progress.

Table 91.: Waste Water (Sanitation) Provision Highlights

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c) Challenges: Waste Water (Sanitation) Provision

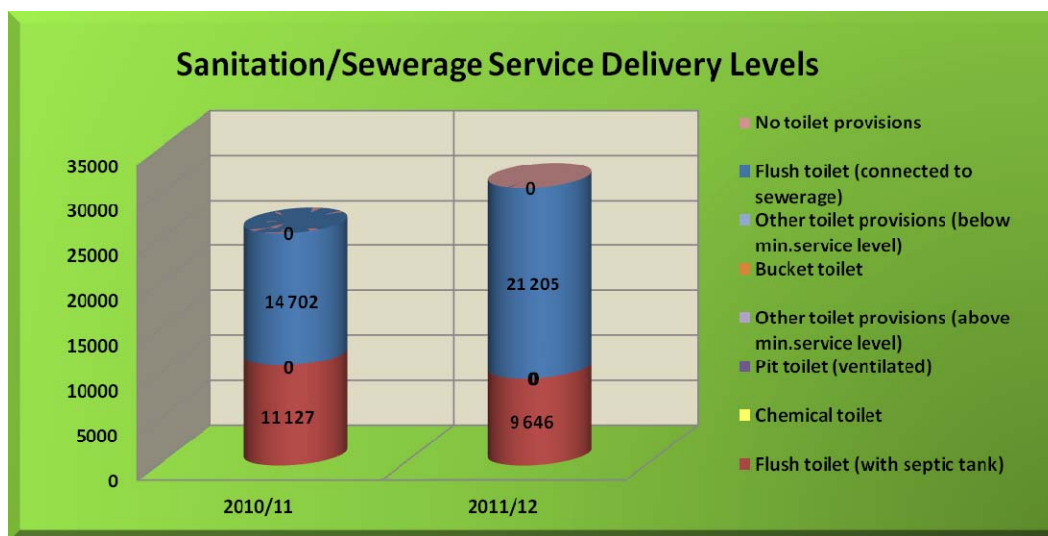
Description	Actions to address
Provision of adequate treatment capacity in all areas	Upgrade of waste water treatment works when required
Extension of waterborne sewer networks	Elimination of septic tanks by laying new sewer pipe networks and connecting properties to it. Sewer networks for new housing developments.
Sludge handling according to legislation	Provision of adequate sludge dewatering facilities and disposal of dried sludge in the correct way
Extension of basic services	Improvement of ratio of sanitation facilities to households in informal settlements.
Lack of suitably qualified personnel	Training of staff
Lack of knowledge of sewer systems of consumers	Public awareness and training
Ageing infrastructure / lack of maintenance funds	Increased maintenance budget and replacement of old infrastructure

Table 92.: Waste Water (Sanitation) Provision Challenges

Sanitation Service Delivery Levels		
Households		
Description	2010/11	2011/12
	Outcome	Actual
	No.	No.
<u>Sanitation/sewerage: (above minimum level)</u>		
Flush toilet (connected to sewerage)	14 702	21 205
Flush toilet (with septic tank)	11 127	9 646
Chemical toilet	0	0
Pit toilet (ventilated)	8	0
Other toilet provisions (above min.service level)	0	0
<i>Minimum Service Level and Above sub-total</i>	25 837	30 851
<i>Minimum Service Level and Above Percentage</i>	100	100
<u>Sanitation/sewerage: (below minimum level)</u>		
Bucket toilet	0	0
Other toilet provisions (below min.service level)	0	0
No toilet provisions	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0	0
Total households	25 837	30 851
<i>Including informal settlements</i>		

Table 93.: Sanitation service delivery levels

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Graph 15.: Sanitation/Sewerage Service Delivery Levels

d) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12		
						Target	Actual	
TL16	The provision and maintenance of municipal services	Maintenance of sewerage services measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	New performance indicator for 2011/12. No comparatives available	90%	98.27%	
TL15	The provision and maintenance of municipal services	Sewerage assets is maintained in terms of the maintenance budget spent	% of the maintenance budget spent	All	97%	98%	99.80%	
TL14	The provision and maintenance of municipal services	Quality of waste water discharge measured by the % water quality level	% Effluent compliance with permit conditions and Government Notice	All	83.05%	80%	88.60%	
TL70	The provision and maintenance of municipal services	Effective capital spending measured by the % of budget spent	% spent of approved capital projects	All	New performance indicator for 2011/12. No comparatives available	98%	84%	

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Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL81	The provision and maintenance of municipal services	Upgrade of the Waste Water Treatment Works in Hermanus	% completion of the project	3	New performance indicator for 2011/12. No comparatives available	98%	85%

Table 94.: Service delivery indicators: Waste Water (Sanitation) Provision

Employees: Sanitation Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	51	52	51	0.92	1.8
4 - 6	11	13	11	0.67	5.2
7 - 9	16	20	16	2.2	11
10 - 12	4	4	4	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	1	1	1	0	0
Total	84	91	84	3.8	3.3

Employees and Posts numbers are as at 30 June.

Table 95.: Employees Waste Water (Sanitation) Provision

Capital Expenditure 2011/12: Sanitation Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	26 101	26 101	25 832	268	55 110
Hermanus WWTW Upgrade	20 922	20 923	20 772	221	45 810
Kleinmond and Gansbaai Sludge Handling	2 000	2 000	1 988	12	5 800
Stanford Sewer Network	2 000	2 000	1 996	3	3 500

Total project value represents the estimated cost of the project on approval by Council

Table 96.: Capital Expenditure 2011/12: Waste Water (Sanitation) Provision

Overstrand Municipality's sanitation service was put in the 9th place nationally in the latest Green Drop evaluation. This is a reflection of the municipality's commitment to waste water treatment process

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control, maintenance, management, the monitoring programme, sampling credibility, waste water quality compliance, failure response management, bylaws, infrastructure capacity, and asset management.

The three largest capital projects are aligned with the municipality's strategic priorities. The capital budget was spent 99%. No significant variance is expected from total approved project values. The sanitation operating budget was exceeded by 2%.

3.3.2 Electricity



a) Introduction to Electricity

Electricity Reticulation is a Local Government Competence in terms of the Constitution and forms the highest earner of revenue within municipalities. Electricity is also the best tool available to control revenue within the municipality.

The electricity losses were determined at 7.12% for the 2011/12 financial year as opposed to the 7.91% in the preceding 2010/11 financial year. In terms of the average electricity losses of 14.5% within South Africa based upon Electricity Distribution entities, this is considered an excellent achievement. A target of 7% has been set for the next financial year.

Electricity is supplied to all formal households and projects have been launched to electrify informal settlements. Currently 46% of informal settlements have been electrified and plans have been launched to electrify a further 16%. It is the intention to electrify the remaining 38% within the next two years.

A project has been launched to curb electricity consumption in line with the requirements in South Africa to deal with the shortage of electricity generation. It is the intention to drop the maximum demand of electricity by the installation of Hot Water Cylinder controllers and to drop electricity consumption by 10% as demanded by the situation within South Africa.

b) Highlights: Electricity

Highlights	Description
Commencement with Major 66/11kV New Infeed Substation	Planning and tendering has been completed for the New Major 66/11kV Infeed Substation to be built in the industrial are of Hermanus. The Construction of the Substation will be commenced with early in the 2012/13 Financial year

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Highlights	Description
Medium Voltage Upgrade in Franskraal	A R3.5 million Medium Voltage upgrade has been completed in Franskraal, which continues with our policy to ensure undergrounding of all electricity networks.
Medium Voltage Upgrade Kleinmond	A R3.7 million project was launched in the Kleinmond area to upgrade the medium voltage network
Zwelihle Informal Housing Electrification	Planning and tendering had been completed to spend grant funds in order to electrify 600 informal units within Zwelihle
Reduction in electricity losses	The Energy Losses for the 2011/12 financial year was 7.07% compared to 7.91% for 2010/2011

Table 97.: Electricity Highlights

c) Challenges: Electricity

Description	Actions to address
Electrification of Informal Settlements	An estimated 3 800 informal settlements exist within the Overstrand Municipality. Some 1760 of these units have been electrified. A further 600 will be electrified soon. Funds are being sought to electrify the balance of 1 440
Curbing excessive electricity consumption	South Africa has a shortage of electricity generation, which places an onus on all municipalities to reduce electricity consumption by 10%. Unless existing consumers reduce electricity consumption by 10%, it would be very difficult to connect any new customers. Overstrand Municipality launched a project to curb electricity peak consumption by installing hot water cylinder control units. The installation project has commenced

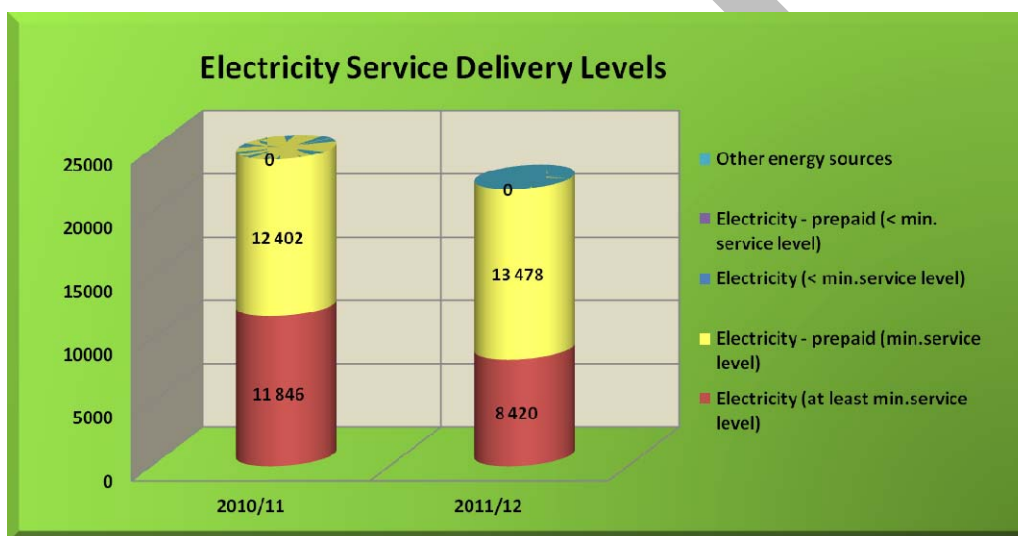
Table 98.: Electricity Challenges

Electricity Service Delivery Levels		
Households		
Description	2010/11	2011/12
	Actual	Actual
	No.	No.
<u>Energy: (above minimum level)</u>		
Electricity (at least min.service level)	11 846	8 420
Electricity - prepaid (min.service level)	12 402	13 478
<i>Minimum Service Level and Above sub-total</i>	24 248	21 898
<i>Minimum Service Level and Above Percentage</i>	100	100
<u>Energy: (below minimum level)</u>		
Electricity (< min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0

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Electricity Service Delivery Levels		
Households		
Description	2010/11	2011/12
	Actual	Actual
	No.	No.
Other energy sources	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0	0
Total number of households	24 248	21 898

Table 99.: Electricity service delivery levels



Graph 16.: Electricity service delivery levels

Households - Electricity Service Delivery Levels below the minimum				
Households				
Description	2010/11	2011/12		
	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.
Formal Settlements				
Total households	22 488	21 000	21 000	20 098*
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0	0	0	0
Informal Settlements				
Total households	3 760	3 800	3 800	3 800*
Households below minimum service level	1 440	1480	1 480	1 480

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Households - Electricity Service Delivery Levels below the minimum				
Households				
Description	2010/11	2011/12		
	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.
Proportion of households below minimum service level	38%	39%	39%	39%

Table 100.: Households - Electricity Service Delivery Levels below the minimum

d) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12		
						Target	Actual	
TL77	The provision and maintenance of municipal services	Effective management of electricity provisioning systems	% of electricity unaccounted for	All	8.63%	10%	7.10%	
TL78	The provision and maintenance of municipal services	Electricity assets is maintained in terms of the maintenance budget spent	% of maintenance budget of electricity spent	All	99%	51.25%	58.25%	
TL76	The provision and maintenance of municipal services	Electricity connections to provide electricity reticulation to new developments	No of new electricity connections	All	410	200	482	
TL79	The provision and maintenance of municipal services	Improve electricity distribution capacity with new 66KvA substation in Hermanus	% completion of the project	3	New performance indicator for 2011/12. No comparatives available	98%	98%	
TL73	The provision and maintenance of municipal services	Revise the Electrical Master plan annually where by the end of March	Plan revised and approved by Council	All	New performance indicator for 2011/12. No comparatives available	100%	100%	

Table 101.: Service delivery indicators: Electricity

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Employees: Electricity Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	8	7	1	13
4 - 6	3	4	3	1	25
7 - 9	3	3	3	0	0
10 - 12	5	5	5	0	0
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	20	22	20	2	9
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 102.: Employees: Electricity services

Capital Expenditure 2011/12: Electricity Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	35 170	28 921	26 567	(6 250)	35 170
New 66/11kV Hermanus Intake Substation	15 000	6 000	5 074	(9 926)	30 000
Kleinmond Medium Voltage Upgrading	3 700	3 700	3 689	(311)	3 689
Franskraal Medium Voltage Upgrading	3 600	4 609	4 552	952	4 552
Pearly Beach Second Medium Voltage Feeder	2 820	1 916	1 916	(904)	1 916
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

Table 103.: Capital Expenditure 2011/12: Electricity Services

Electricity has achieved a high percentage of capital expenditure, which currently lies at 91.8%. The % would have been higher but the launch of the building of the new 66/11kV Hermanus Intake Substation was delayed by a few months. The project is, however, a multiyear project and the original envisaged amount will be spent in the following two years. The other three largest projects

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are indicated within table 41 above and reflects an original budget of R10 120 000. The final expenditure amounted to R10 187 000 which reflects the ability to expend capital as envisaged

3.3.4 Waste management (Refuse collections, waste disposal, street cleaning and recycling)

a) Introduction to Waste Management

Overstrand Municipality is delivering a first world solid waste service to the residents of Overstrand and all residents are receiving the service at least once a week. A two bag system is applied, i.e. a black bag for wet waste and a clear bag for recycling. Overstrand Municipality has two material recovery facilities, one in Hermanus and the other one in Gansbaai. A major challenge in the 2011/12 financial year was when the District Municipality informed Overstrand that the regional landfill site was closing in December 2011. All the refuse had to be rerouted to Overstrand's own landfill site in Gansbaai, resulting in a big financial burden to the municipality. The informal areas are serviced with swing bins and mini disposal sites for the residents to dispose of their refuse. In the disadvantaged areas private contractors are deployed for area and road cleaning. The criteria are that the contractor must stay in the area and is only allowed to employ unemployed people from that area. Although their main purpose is cleaning, they must also do awareness about cleanliness. The three service priorities are to provide a service that is affordable, effective and efficient to the residents.

b) Highlights: Waste Management

Highlights	Description
Greenest Town	Runner up in the waste section and winner of the National Competition

Table 104.: Waste Management Highlights

c) Challenges: Waste Management

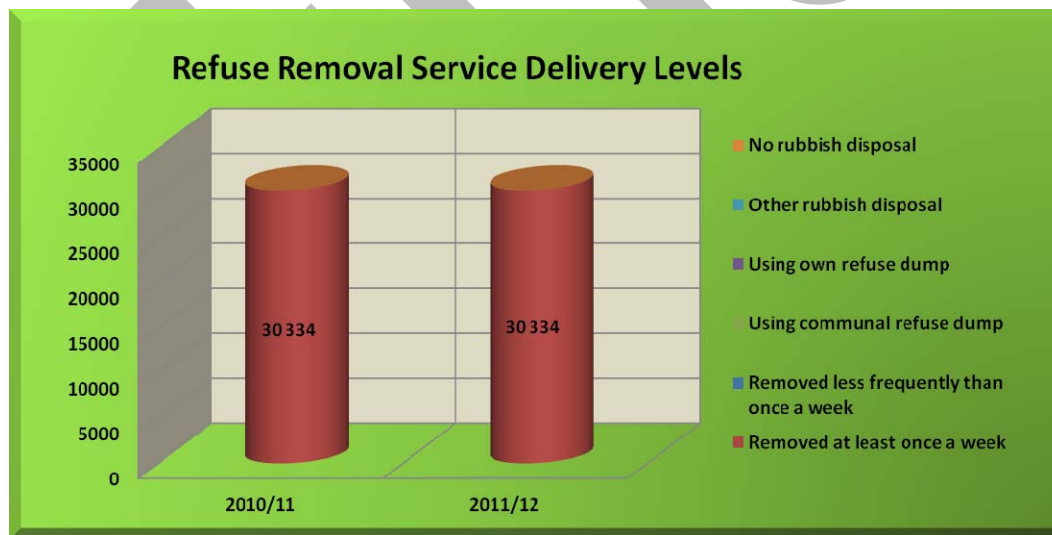
Description	Actions to address
Illegal dumping	To eliminate illegal dumping through awareness campaigns and law enforcement
Closing of Karwyderskraal regional landfill site	Transport of waste to the Gansbaai landfill site at substantial additional cost

Table 105.: Waste Management Challenges

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Solid Waste Service Delivery Levels		
Description	Households	
	2010/11	2011/12
	Actual	Actual
	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>		
Removed at least once a week	33570	33650
<i>Minimum Service Level and Above sub-total</i>	33570	33650
<i>Minimum Service Level and Above percentage</i>	100%	100%
<u>Solid Waste Removal: (Below minimum level)</u>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level percentage</i>	0	0
Total number of households	33570	33650

Table 106.: Solid Waste Service Delivery Levels



Graph 17.: Refuse Removal Service Delivery Levels

Chapter 3: Service Delivery Performance

d) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL18	The provision and maintenance of municipal services	Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	All	99%	98%	103.21%
TL17	The provision and maintenance of municipal services	Maintenance of refuse removal assets measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	New performance indicator for 2011/12. No comparatives available	90%	100%
TL71	The provision and maintenance of municipal services	Revise the Integrated Waste Management plan annually by the end of March	Plan revised and approved by Council	All	New performance indicator for 2011/12. No comparatives available	100%	100%

Table 107.: Service delivery indicators: Solid waste management

Employees: Solid Waste Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	91	95	91	4	4.21
4 - 6	3	3	3	0	0
7 - 9	15	16	15	1	6.25
10 - 12	2	2	2	0	0
13 - 15					0
16 - 18	1	1	1	0	0
19 - 20					
Total	112	117	112	5	4.27
Employees and Posts numbers are as at 30 June.					

Table 108.: Employees: Solid Waste Services

All solid waste capital projects were linked to land sales and as no land sales materialized, no capital projects could be completed.

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Waste management provides a good and effective refuse removal service and is coping well with the high season (peak) periods. All Overstrand's solid waste facilities have been issued with permits. Overstrand Municipality provides transfer stations and drop off facilities and weekend drop off facilities for the convenience of the community. The municipality has through the years committed themselves to not only the delivery of collection and disposal service for all its residents, but also to Best Environmental Practice. The municipality is also regarded as being on the forefront of waste recovery in South Africa, by means of source separation and separate collection and continues to improve and expand on the current situation.

3.3.5 Housing

a) Introduction to Housing

The Overstrand Municipality has over the last few years had its portion of in migration of people, which is a function of the urbanization process. As a result of this in migration a backlog developed in the provision of housing accommodation. It manifests in the growth in the number of backyard dwellers and in informal settlements that are scattered over the entire municipal area.

To address this problem, a comprehensive strategy has been developed and is in the process of being implemented. A 5-year programme of development has been compiled, which addresses this backlog and identifies projects in each area where the need exists for development. The approach has the following main objectives:



- ➔ Firstly to provide basic services in the form of rudimentary services in those areas where it is most needed, namely the informal settlements. This objective has been substantially met in the past year, but the national standard of one tap for every 25 families and one toilet for every 5 families has not yet been achieved. This challenge will be fully met by the end of the 2012/2013 financial year through a program called the Access to Basic Services Project. The aforementioned project is currently being implemented.
- ➔ Secondly, the upgrading of informal settlements has been made a priority in the 5-year housing programme. Application for funding has been lodged with the Provincial Department of Human Settlements during the 2011/12 financial year and approval has been received for the development of the informal settlement in Pearly Beach, as well as the seven settlements in

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Zwelihle. Development of some of these areas will commence during the 2012/13 financial year, with Eluxolweni in Pearly Beach, being the first project.

- Thirdly, the development of communities through the Integrated Residential Development Programme has been addressed in the 5-year programme in order to reduce the housing waiting list as far as possible. During the 2011/12 financial year two projects were delivered, namely 410 units in Kleinmond and 13 in Betty's Bay. Application for funding for all the areas with people on

the waiting list has been lodged with Province and once approval is received, the availability of funding will dictate the tempo of delivery.

All in all, the 5-year programme will affect the lives of the 6 000 odd families in need of basic services and housing in the municipal area in order to give them a much better quality of life.



b) Highlights: Housing

Highlights	Description
Kleinmond 410 low cost housing project	The handover of the remainder of the houses, being 378 units, to beneficiaries for the period 01 September 2011 – 15 December 2011
Handover of title deeds: Betty's Bay housing project (13 units)	Title deeds were handed over to 13 beneficiaries of the Betty's Bay housing project by the Mayor on 21 December 2011
Informal settlement survey : June 2012	The successful bi-annual survey of the informal settlements - 3421 units were counted and verified

Table 109.: Housing Highlights

c) Challenges: Housing

Description	Actions to address
Housing waiting list : 5945	Progressive addressing of the housing needs of potential beneficiaries through a number of programs, i.e IRDP (Integrated Residential Development Programme), UISP (Upgrading of informal settlements Programme)
Access to basic services	The provision of basic services to households in the informal settlements which will commence 01 July 2012

Table 110.: Housing Challenges

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households with access to basic housing

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Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households with access to basic housing
2011/12	31 339	27 918	89%

Table 111.: Percentage of households with access to basic housing

The following table shows the increase in the number of people on the housing waiting list. There are currently approximately 4 292 housing units on the waiting list.

Financial year	Nr of applicants on waiting list	% Housing waiting list increase/decrease
2010/11	5 945	39% Decrease (compared to 2009/10)
2011/12	6 152	3.50% Increase

Table 112.: Housing waiting list

d) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL12	The provision and maintenance of municipal services	All informal settlements formalised and with the provision of basic services where required	Number of informal settlements formalised	All	1	2	2

Table 113.: Service delivery indicators: Housing

3.3.6 Free Basic Services and Indigent Support

a) Introduction

The free basic services were funded from the "equitable share" grant received from National Treasury plus an amount from the municipality's own income as budgeted for in the financial year under review.

The criteria for an Indigent Household was extended as follows:

- ➔ Indigent households with a property value greater than R50 000
- ➔ Indigent households with a property value less than R50 000 (automatic qualification)
- ➔ Poor households

We appointed two staff members specifically with the task of surveying households on a door to door basis in an effort to increase the indigent database.

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All water leaks on the consumer side of an indigent household were repaired at no cost to the household by the municipality. Great savings on water losses were affected by these actions.

Pre-paid electricity meters are installed in all indigent households at no cost to the consumer.

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R4 880** per month will receive the free basic services as prescribed by national policy.

The table below indicates that **16.71%** of the total number of households received free basic services in 2010/11 financial year whilst it increased to **18.65%** in the 2011/12 financial year:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2010/11	31 357	5 241	16.71	5 241	16.71	5 241	16.71	5 241	16.71
2011/12	31 373	5 852	18.65	5 852	18.65	5 852	18.65	5 852	18.65

Table 114.: Free basic services to indigent households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2010/11	5 185	50	1 271	26 116	0	0	56	50	n/a
2011/12	5 852	50	2 882	25 521	0	0	0	0	0

Table 115.: Free basic Water services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2010/11	5 241	6	5 786	19 895	6	11 460
2011/12	5 852	6	3 371	19 458	6	9 924

Table 116.: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000

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Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2010/11	5 241	648	3 396	26 116	0	0
2011/12	5852	700	4 094	25 521	0	0

Table 117.: Free basic Water services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2010/11	5 241	1	6 918	26 116	0	0
2011/12	5 852	1	6 671	25 521	0	0

Table 118.: Free basic Refuse Removal services to indigent households per type of service

Financial Performance 2011/12: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2010/11	2011/12			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Water	5 121	5 000	5 300	5 470	(170)
Waste Water (Sanitation)	3 241	4 500	5 000	5 046	(46)
Electricity	9 709	10 500	11 200	11 665	(465)
Waste Management (Solid Waste)	5 466	5 000	5 500	5 903	(403)
Total	23 537	25 000	27 000	28 084	(1 084)

Table 119.: Financial Performance 2011/12: Cost to Municipality of Free Basic Services Delivered

3.4 COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

The focus of the municipality has been on road and storm water maintenance and improvement matters, with attention being given to non-motorised transport interventions within the towns.

Council has approved a consumer charter for roads with the aim to provide our customers with appropriate, acceptable and safe roads and storm water infrastructure.

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3.4.1 Roads

a) Introduction to Roads

Overstrand has during the past 6 years maintained the municipality's roads infrastructure amounting to approximately 350km of roads, through a Pavement Management System (PMS).

This system ensures that scarce funding allocated to the maintenance of our roads is scientifically and cost effectively spent according to the needs identified in an objective manner. These sections of roads are either rehabilitated or resealed, as determined.

The PMS is updated on a yearly basis (following a visual inspection of all our roads) in order to determine the condition of our roads and provides recommendations to Council on the extent and type of pro-active actions that need to be taken to avoid a deterioration of our roads.

Great strides have been made the past 3 years in eradicating the road maintenance backlog, with Council budgeting substantial amounts of money on a yearly basis towards this goal.

b) Highlights: Roads

Highlights	Description
Reseal programme	In line with our Pavement Management System 20 km of roads have been resealed

Table 120.: Roads Highlights

c) Challenges: Roads

Description	Actions to address
Shortages of bitumen	The DTI must proclaim bitumen as a strategic product thereby ensuring continuous supply
Unusually high price increases in the price of bitumen	

Table 121.: Roads Challenges



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Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2010/11	161	0	2	159
2011/12	159	0	1	158

Table 122.: Gravel road infrastructure

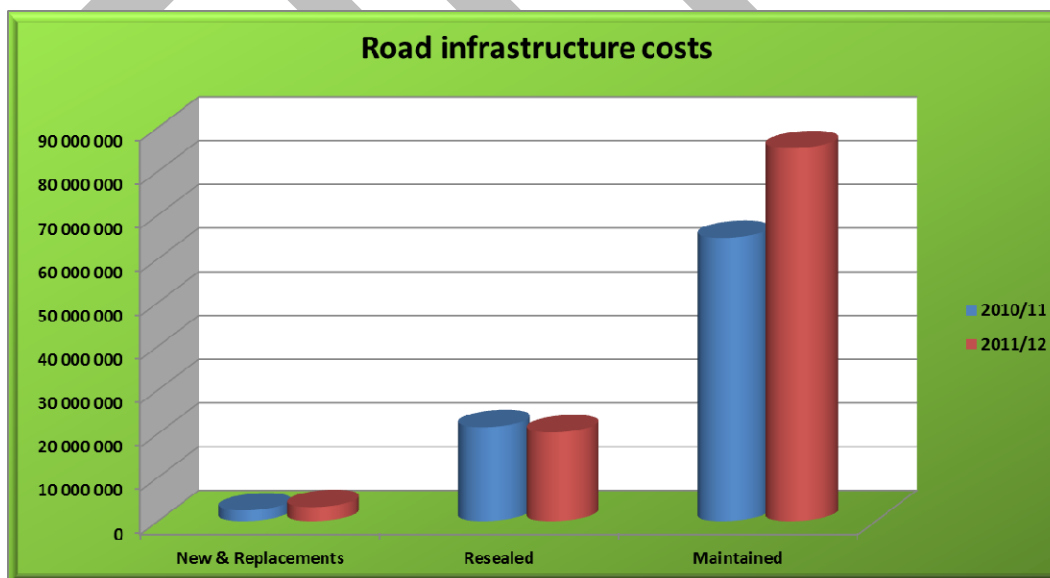
Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads resealed	Tar roads maintained
2010/11	291	2	3	27	293
2011/12	293	1	0	20	294

Table 123.: Tarred road infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R		
2010/11	2 460 000	21 504 897	64 798 318
2011/12	3 218 000	20 300 000	85 300 000

Table 124.: Cost of construction/maintenance of roads



Graph 18.: Road infrastructure costs

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d) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL19	The provision and maintenance of municipal services	m ² of roads patched and resealed according to approved Paveman Management System within available budget/reseal	m ² of roads patched and resealed	All	93%	160,000	171,344.96
TL20	The provision and maintenance of municipal services	Maintenance of municipal roads	% of maintenance budget of municipal roads spent	All	98%	98%	98.18%
TL69	The provision and maintenance of municipal services	Improvement in conditional grant spending - capital	% of total conditional capital grants spent (MIG)	All	100%	95%	100%
TL72	The provision and maintenance of municipal services	Revise the Integrated Transport Plan annually where by the end of March	Plan revised and approved by Council	All	New performance indicator for 2011/12. No comparatives available	100%	100%

Table 125.: Service delivery indicators: Road transport

Employees: Roads					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	58	58	57	1	1.7
4 - 6	25	25	22	2.3	9.2
7 - 9	16	16	14	2	12.5
10 - 12	5	5	4	1	20
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	106	106	99	6.3	5.9

Employees and Posts numbers are as at 30 June.

Table 126.: Employees: Roads

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Capital Expenditure 2011/12: Roads					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3 218	0	3 218	0	3 218
Parking municipal building	124	0	124	0	124
Hawston: 227 RDP Erven Rehabilitate Gravel Roads (MIG)	3 094	2 760	3 094	0	3 094
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 127.: Capital Expenditure 2011/12: Roads

The road network performed well, with a marked improvement on the occurrence of potholes due to the effect of our reseal programme.

The only capital project completed was in the previously disadvantage area of Hawston where gravel roads were upgraded.

Operating budget – 98.2% spent.

3.4.2 Waste water (Storm water drainage)

a) Introduction to Storm water Drainage

Overstrand's storm water systems consists of channels and pipelines in the towns of Hermanus, Gansbaai and Kleinmond, whereas in the smaller villages of Betty's Bay, Fisherhaven and Pearly Beach the systems consist of open trenches with piped road crossings.

Council has approved a consumer charter with the aim of providing an efficient storm water network that best meets the needs and priorities of all communities across the municipal area. The storm water systems performed well during the reporting period with only localized problems experienced.

b) Highlights: Waste Water (Storm water Drainage)

Highlights	Description
Preventative maintenance	Preventative maintenance plans in the different towns have been implemented

Table 128.: Waste Water (Storm water drainage) Highlights

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c) Challenges: Waste Water (Storm water Drainage)

Description	Actions to address
Backlog in infrastructure provision	Limited funding, other basic services (water, sewerage, electricity) receive priority

Table 129.: Waste Water (Storm water drainage) Challenges

The table below shows the total kilometers of storm water maintained and upgraded as well as the kilometers of new storm water pipes installed:

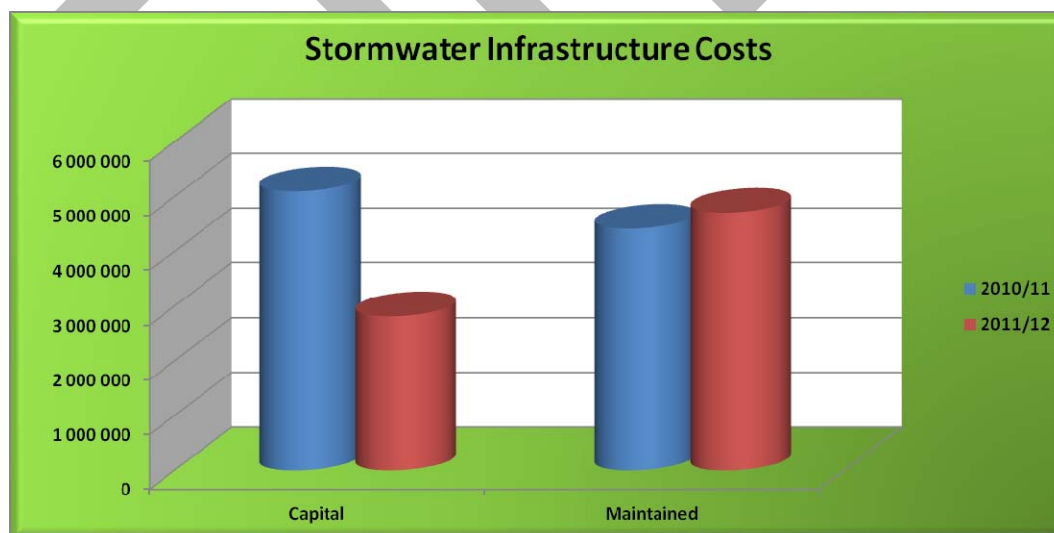
Storm water Infrastructure: Kilometres				
Year	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2010/11	554	3	5	557
2011/12	557	0	2	557

Table 130.: Storm water infrastructure

The table below indicates the amount of money spend on storm water projects:

Financial year	Storm water Measures	
	Capital	Maintained
	R	
2010/11	5 100 000	4 418 538
2011/12	2 818 000	4 710 774

Table 131.: Cost of construction/maintenance of storm water systems



Graph 19.: Storm water infrastructure costs

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d) Service Delivery Indicator

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL13	The provision and maintenance of municipal services	Storm water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of storm water spent	All	100%	98%	102.15%

Table 132.: Service delivery indicators: Waste Water (Storm water drainage)

Employees: Waste Water (Storm water drainage)					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	12	12	0	0
4 - 6	4	4	3	1	25
7 - 9	3	3	3	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	21	21	20	1	4.8
Employees and Posts numbers are as at 30 June.					

Table 133.: Employees: Waste Water (Storm water drainage)

Capital Expenditure 2011/12: Waste Water (Storm water drainage)					
R'000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 170	3 640	2 818	0	2 818
Storm water (Gansbaai)	500	500	497	0	497
Storm water problem areas (Greater Hermanus)	850	814	766	0	766
Storm water Church street (Hermanus)	750	750	746	0	746

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Capital Expenditure 2011/12: Waste Water (Storm water drainage)					
R'000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Storm water Myrtle Street 4 (Hermanus)	70	70	70	0	70
Storm water (Hawston)	420	413	128	0	128
Storm water upgrade – Church street Hawston	200	196	34	0	34
Chiapini street Onrus	300	347	329	0	329
Storm water – Ward 5 Zwelihle	0	470	466	0	466
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 134.: Capital Expenditure 2011/12: Waste water (Storm water drainage)

The main focus area was in Hermanus with specific reference to previous disadvantaged areas. A number of projects will continue ("roll-over projects") during the 2012/13 period, which accounts for the variation in actual spending in 2011/12, compared to the budget. A storm water preventative maintenance programme was also introduced, which resulted in a decrease of blockages.

Operating budget – 100% spent.

3.5 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

3.5.1 Planning

a) Introduction to Planning

The main element of the forward planning strategies is included in the Growth Management Strategy. The aim of this document is to direct development which is suitable, acceptable, desirable and sustainable within the limitation of Overstrand. Challenges are achieving this within restricted spatial area, sensitive vegetation and geography and capacity of natural resources, infrastructure and social infrastructure. In order to achieve this close monitoring are required regarding any development undertaken.

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a) Highlights: Planning

Highlights	Description
Integrated Scheme Regulations	Submitted Integrated Scheme Regulations to provincial government for approval
Review SDF	5 Year review of SDF to be completed 2013

Table 135.: Planning Highlights

b) Challenges: Planning

Description	Actions to address
Spatial Planning and Land Use Management Act	Providing input and comment to amend the draft act
Land Use Planning Act (WC)	Partake in steering committee directing the draft act
Accreditation in terms of NEMA	Aligning planning documentation in order to try and achieve accreditation in terms of NEMA

Table 136.: Planning Challenges

Applications for Land Use Development		
Detail	2010/11	2011/12
Applications withdrawn	13	12
Applications closed	284	272
Applications outstanding at year end	15	34
Awaiting DEA&DP decision	19	12

Table 137.: Applications for Land Use Development

Type of service	2010/11	2011/12
Building plans application processed	1 316	1422
Approximate value	R725 778 425	R796 880 600
New residential dwellings	209	250
Residential extensions	992	1045
New Business buildings	116	33
Rural applications	8	0

Table 138.: Additional Performance Town Planning and Building Control

Employees: Planning					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

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	No.	No.	No.	No.	%
0 - 3					
4 - 6	4	4	4	0	0
7 - 9	6	6	6	0	0
10 - 12	1	2	1	1	50
13 - 15	6	6	6	0	0
16 - 18	2	2	2	0	0
19 - 20	0	0	0	0	0
Total	19	20	19	1	5
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 139.: Employees: Planning

Capital Expenditure 2011/12: Planning					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 500	252	1 973	252	45 500
Hermanus Sport Centre	1 500	252	1 752	(252)	44 000
Karwyderskraal Regional Cemetery)	1 000	0	252	0	1 500
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

Table 140.: Capital Expenditure 2011/12: Planning

Hermanus Sports Centre is of high priority as the tennis courts and squash courts need to be moved to a new site. A variation of R252 000 was needed for ground works and irrigation. A total amount of R1 751 625-34 was paid towards work done in Phase 1 of the project. Council has resolved to contribute a further R6 000 000 towards the total final construction cost estimated to be R44 000 000.

Karwyderskraal Regional Cemetery is also of high priority as the Kleinmond Cemetery is full and Zwelihle/Mount Pleasant cemetery is nearing capacity. An amount of R1 000 000 was budgeted for in the 2011/2012 budget and R221 515.89 was paid towards professional fees to establish the development right.

The remainder of the budget was rolled over to the 2012/2013 budget.

3.5.2 Local Economic Development (Including Tourism and Market places)

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a) Highlights: LED

The following performance highlights with regard to the implementation of the LED strategy are:

Highlights	Description
Development of economic spaces	Development of economic zones and development of spaces
Providing integrated development support to local entrepreneurs	Capacity building support programmes aimed at developing entrepreneurs and capacity of emerging service providers in doing business with the municipality
Aquaculture Development Plan/Approach	Identifying suitable land for the development and expansion of aqua culture and partner with relevant bodies
Marketing and branding initiatives	Ensuring that the brand is exposed and that the municipality is positioned as a destination

Table 141.: LED Highlights

b) Challenges: LED

The following challenges with regard to the implementation of the LED strategy are:

Description	Actions to address challenges
High level of unemployment	Implement municipal capital projects through EPWP principles and facilitate an environment that will attract sectors with high value that produce good jobs that are long-term
Co-operation with private sector	Introduce activities that build co-operation with the private sector – clarify roles and implementation of joint projects
Seasonality	Robust marketing initiatives and comprehensive programme of events distributed equally throughout the year to ensure constant visitor arrival in the area
Skills and educational levels unequal	Implement joint programmes with other spheres of government and NGO's focussing on skills development
Skewed gini-co-efficiency [the gap between the rich and the poor]	Work with the private sector and other spheres of government to improve income levels through quality jobs
Restrictive environmental considerations	Co-operation between the municipality and the community and introduction of appropriate planning
Inward focus economy attracting few provincial and national focus enterprises	Conducive business environment taking into consideration business needs – effective and efficient systems to do business in the area
Financial and investment support programmes	Understanding the eco-system of entrepreneurs and financiers to better understand the types of companies suited for the area and which are not

Table 142.: Challenges LED

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c) LED Strategy

The Local Economic Development (LED) strategy along with the LED process plan is completely reviewed yearly and being implemented. The LED strategy is built around commitment to develop a climate in which economic development and economic growth can prosper and growth is shared.

The LED strategy identifies various issues and strategic areas for intervention such as:

Strategic areas	Description
Infrastructure development	Good and efficient infrastructure facilitates a seamless approach to economic growth. It also promotes, encourages and attracts private and community investment. The Overstrand Municipality has amongst other good quality water, road infrastructure with kilometres of tarred roads and excellent service delivery
Marketing	The Municipality as a tourist destination with quality tourism products has developed a sound brand that is able to contribute in enhancing economic and tourism growth – attracting many visitors and increasing their stay in the area
Enabling business environment	Small to medium enterprises constitute a large percentage of businesses in the Overstrand; therefore, the municipality has to always ensure that an enabling environment is created for businesses to prosper. Efficient and cheapest destination to set-up a business, setting up friendly legislation with less red tape, approval of town planning applications timeously and providing support and training for new entrants. Timeous approval of tenders and quotations with focus on local content
Resource and asset management	The Overstrand Municipality has a vast resource of natural resources, heritage and beautiful landscapes. To ensure that the municipality achieves its triple bottom-up development and sustainable development, management of these resources and assets is prioritised for long-term competitive advantage
Economies of the poor	Integrating economies of the poor within the main economic hub to ensure participation and shared growth. Ensure availability of developmental services and access to infrastructure and facility that promotes trade. Township development activities aimed at promoting investment, transport hub including informal trading and beautification of townships
Human resource development	Addressing skills shortage to bolster economic growth, ensuring availability of important services. Skills training aimed at meeting market demands for long term sustainable human development. Skills development initiatives conducted in partnership with NGO's and other public bodies.

Table 143.: LED Strategic areas

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Implementation of the LED strategy should not be project based but an integrated set of activities that complement each other and breeds success. Good and effective leaderships are paramount to the success of the Municipality to prosper economically.

- ➔ Using procurement as a tool to stimulate local economic development;
- ➔ Provision of good and efficient infrastructure;
- ➔ Township development and regeneration of economic hubs integrating transport and informal trading;
- ➔ Capacity building focusing on emerging service providers and contractors opening up opportunities to do business with the municipality;
- ➔ Providing support for SMME development through capacity building, financial support and trading facilities;
- ➔ Marketing of the municipality as a tourist destination focusing on addressing seasonality, building the image and effectiveness of Local Tourism Organisations;
- ➔ Supporting community based initiatives with the aim of addressing poverty, unemployment and promote self-employment;
- ➔ Supply Chain Policy promoting local service providers;
- ➔ Addressing unemployment through Expanded Public Works Programme, Working for Water and Coastal management programmes; and
- ➔ Seamless approach to Town Planning applications with minimum delays.

The table below identifies the economic activity within the different sectors:

Sector	2010/11 (R)	2011/12 (R)
Agric, forestry and fishing	101.3	101.0
Mining and quarrying	0.5	0.4
Manufacturing	407.3	426.0
Wholesale and retail trade	351.1	366.6
Finance, property, etc.	729.5	793.7
Community and social services	104.1	108.8
Infrastructure services	7.3	7.3

Table 144.: Economic Activity by Sector

Economic Employment by Sector		
Jobs		
Sector	2010/11 No.	2011/12 No.
Agric, forestry and fishing	(3 005)	(3 005)
Mining and quarrying	(8)	(8)

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Economic Employment by Sector		
Sector	Jobs	
	2010/11 No.	2011/12 No.
Manufacturing	572	572
Wholesale and retail trade	479	479
Finance, property, etc.	2 380	2 380
Govt, community and social services	996	996
Infrastructure services	321	321
Total	1 735	1 735

Table 145.: Economic Employment by Sector

According to the Municipal Economic Review and Outlook 2012 – The Overstrand municipality is the second largest in the district of the Overberg contributing a third of the sub-region's GDP. Given the size of the municipality and its stellar growth performance, it may be seen as the most dynamic municipality in the district.

Mining and quarrying is not that significant in the Overstrand but, the most worrying sector [Agriculture, Forestry & Fishing] has contracted mildly and shed jobs in the process. All round the municipality witnessed growth, due to its diversified economy.

d) Tourism



The Tourism Sector is not only multifaceted in contributing to a variety of economic sectors, but it is also a labour intensive industry with the capacity and potential to create jobs. For this, and other reasons, tourism in the Overstrand is one of the core pillars of economic growth.

The physical beauty of the Overstrand is its greatest asset and, as a result, the Overstrand has had positive growth and is regarded as a high growth area in the Overberg District, contributing 43% of the GDP making it the largest contributor.

e) Informal Street Trading

The Overstrand municipality has an ever growing informal sector which in many respect compliment the tourism and retail sectors. Informal trade contributes about 12% of the local GDP and has potential to grow.

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One of the fundamental reasons for supporting this sector is to acknowledge the sector's relevance and contribution to the economic and social life of the area. This sector provides some income to those who are unemployed, as well as providing an alternative to established traditional formal sector retail options.

The introduction of systems and control will assist the municipality to develop the sector and its participants into a commercially viable and dynamic sector which contribute to economic development and growth aimed at improving the quality of life of the local people.

The table below identifies the detail of the various LED initiatives in the municipal area:

Description of project	No of man-days created	Total Investment R'000	Amount spent R'000	Amount spent per day R
Cleaning Storm water Drains	1 416	150	116	82
Sweeping of streets	2 269	150	138	60
Fire Fighting	502	80	62	123
Overstrand Ward base Survey	1 114	250	156	140
Construction of Pedestrian Sidewalks	1 512	80	71	47
Total	6 813	710	543	

Table 146.: Jobs Created during 2011/12 by LED Initiatives (Excluding EPWP projects)

Job creation through EPWP projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2011/12	34	616

Table 147.: Job creation through EPWP projects*

f) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL44	Promotion of tourism, economic and rural development	The number of semi employed jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of semi employment jobs created	All	New performance indicator for 2011/12. No comparatives available	50	393

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Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12		
						Target	Actual	
TL43	Promotion of tourism, economic and rural development	The number of temporary jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of temporary jobs created	All	New performance indicator for 2011/12. No comparatives available	200	204	
TL41	Promotion of tourism, economic and rural development	Appoint LED forum representatives for all towns by the end of July	% of LED forum established	All	New performance indicator for 2011/12. No comparatives available	100%	100%	
TL50	Promotion of tourism, economic and rural development	Compile a policy to award tenders to BEE's by the end of September	Policy submitted for approval	All	New performance indicator for 2011/12. No comparatives available	100%	100%	
TL46	Promotion of tourism, economic and rural development	Develop an operational plan for the implementation of the LED strategy by the end of September	% completed	All	New performance indicator for 2011/12. No comparatives available	100%	100%	
TL48	Promotion of tourism, economic and rural development	Development of Neighbourhood Development and Partnership Plans in terms of grant availability by the end of December	% of plans completed	All	New performance indicator for 2011/12. No comparatives available	100%	100%	
TL49	Promotion of tourism, economic and rural development	Improved skills development for local economic development	Number of workshops organised	All	18	8	11	
TL47	Promotion of tourism, economic and rural development	Oversight of Cape Whale Organisation (CWO) to ensure that a marketing strategy and actions are implemented	Quarterly reports (operational and financial) received from CWO	All	New performance indicator for 2011/12. No comparatives available	4	4	

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Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL42	Promotion of tourism, economic and rural development	Successful external funding obtained for local economic development	Number of successful external funding obtained	All	New performance indicator for 2011/12. No comparatives available	3	3
TL51	Promotion of tourism, economic and rural development	Value of contracts assigned to SMME's to enhance economic development	Value of contracts assigned	All	R2,330,412.80	R 30,000,000	R 4,185,237.16

Table 148.: Service delivery indicators: Local Economic Development

Employees: Local Economic Development					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	2	2	2	0	0
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	1	1	1	0	0
Total	5	5	5	0	0

Employees and Posts numbers are as at 30 June (includes 3 [three] additional people on learnership)

Table 149.: Employees: Local Economic Development

The municipality has taken a leading role in ensuring adequate infrastructure, opening up opportunities for new entrants in the economy, introducing adequate and efficient town planning systems that promote economic development, training and development of emerging service providers and providing them with opportunities, supply chain that promotes local service providers and bolster local employment.

The municipality whilst enjoying positive economic growth also ensures implementation and support of programmes that focus on economic development with interventions aimed at economic and social well-being of local people. This has yielded positive results in promoting entrepreneurship leading to self-employment, expansion of business operations and development of economic zones.

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3.6 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.6.1 Libraries

a) Highlights: Libraries

Highlights	Description
➔ Installation of new computers ➔ Internet facilities at Zwelihle, Hawston and Gansbaai library	Free internet access to the public especially the learners
Migration to slims	Implementing the new system
100% Spending of library conditional grant	Extra funding for upgrading and contract workers at the libraries
Visits to and from primary schools and early childhood development centres (crèches)	➔ Class visits, storytelling sessions, reading and art programmes ➔ Programmes and book talks

Table 150.: Libraries Highlights

b) Challenges: Libraries

Description	Actions to address
To encourage children to read more	Exhibitions, book reading sessions
Outreach campaigns	Need funding for literacy projects
More computers for internet users	Apply for extra computers from provincial library services as part of the connectivity project
Fax and scan facilities	Possible savings on budget to purchase a fax machine and scanner for Zwelihle library
Study space	Renovate libraries to cater for study space
Minimize the theft of books	To obtain a security system

Table 151.: Libraries Challenges

c) Service statistics for Libraries

Type of service	2010/11	2011/12
Library members	24 512	30 539
Books circulated	738 820	557 767
Exhibitions held	173	165
Internet users	1 286	3 678
New library service points or Wheelie Wagons	1	1

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Type of service	2010/11	2011/12
Children programmes	177	325
Visits by school groups	127	141
Book group meetings for adults	63	36
Primary and Secondary Book Education sessions	216	128

Table 152.: Service statistics for Libraries

Employees: Libraries					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	10	10	10	0	0
7 - 9	1	1	1	0	0
10 - 12	3	4	3	1	25
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	14	15	14	1	7
<i>Employees and Posts numbers are as at 30 June (includes 3 [three] additional people on learnership)</i>					

Table 153.: Employees: Libraries

3.6.2 Cemeteries

a) Highlights: Cemeteries

Highlights	Description
Neat and clean cemeteries	<ul style="list-style-type: none"> ➔ The appearances of all cemeteries are in good shape ➔ Very few complaints received regarding the condition of cemeteries as they are reasonably well maintained ➔ Dedicated staff appointed to maintain the grave yards
Proper and effective booking and management system regarding burial information	Electronic Burial management system

Table 154.: Cemeteries Highlights

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b) Challenges: Cemeteries

Description	Actions to address
Vandalism	Funding was required to improve security
Lack of availability of gravesites in Kleinmond	Regional cemetery for all towns in Overstrand
Very wet and rocky earth conditions at Stanford grave yard	At all times a digger loader must be hired to dig the graves

Table 155.: Cemeteries Challenges

c) Service Statistics for Cemeteries

Type of service	2010/11	2011/12
Pauper burials	Statistics not readily available	2

Table 156.: Service stats for Cemeteries

3.6.3 Child Care; Aged Care; Social Programmes

a) Introduction to Child Care; Aged Care; Social Programmes

Since the adoption of the Children's Act, 38 of 2005, in April 2010, the legislative environment governing day care centres has changes dramatically. The guidelines for day care centres were an optional choice for day care centres. With ascendance of the Children's Act, it is no longer optional and day care centres must

register with the Department of Social Development. We are therefore faced with the daunting task of assisting the majority of day care centres to formalise especially in the informal areas. Despite the challenges that this brings, it also provides us with an opportunity to assess this sector and ensure that it provides the best possible service to one of our most vulnerable segments in society – children.

Aged Care is an aspect that needs more attention. However, there are various institutions that deliver services to the aged like frail care centres etc. and there are also organisations that provide home based care to the aged. In general though organisations working with the aged are better organised, but there is still a need for a larger forum that can represent the needs of all the aged at municipal, district and provincial level. This is not only of importance with regard to the aged, but should be seen as important when considering the rights and opportunities of all the vulnerable groups. From



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2012 onwards the municipality through the Development office will do much more to establish forums and structures through which the vulnerable groups can communicate with government.

The completion of the Overstrand Ward Based survey in our most vulnerable areas has contributed to a wealth of socio-economic information. More social programmes will be designed to address problems identified in the survey. The socio-economic data base that we have generated through the survey will not only allow us to be specific in our social programmes but will also allow us to measure our progress.

b) Highlights: Child Care; Aged Care; Social Programmes

Highlights	Description
Overstrand Ward Based Survey	<ul style="list-style-type: none"> ➔ With support from Stats SA we completed a Ward Based survey through which 6331 households were surveyed ➔ Employment created for 47 youth: 29 females and 15 male ➔ Comprehensive socio-economic data-base of the most vulnerable areas in Overstrand
16 Days of Activism	The extensive campaign targeted at both municipal employees and communities in all our administrative areas.
Child Care	<ul style="list-style-type: none"> • Comprehensive 5 year action plan developed aimed at children and child care (to be rolled out from 2012). • Facilitated a request by Child Welfare Hermanus to extend their property to accommodate the construction foster homes for orphaned children.

Table 157.: Child care; Aged care; Social programmes Highlights

c) Challenges: Child care; Aged care; Social programmes

Description	Actions to address
Children's Act, 38 of 2005, adopted in April 2012. Essentially it requires the formalisation of day care centres.	Comprehensive action plan has been developed and is included in the 2012-2017 IDP, see p. 42-49.
Intergovernmental Cooperation needs to improve with the delivery of social programmes.	<p>Our action plan and objectives are documented in the IDP 2012-2017.</p> <p>Provincial and District support for the establishment of structures to improve Intergovernmental Relations have been put in place.</p>

Table 158.: Child care; Aged care; Social programmes Challenges

d) Service Statistics for Child Care; Aged Care; Social Programmes

Child care; Aged care; Social programmes
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Description	2010/11	2011/12
Trees planted	50	160
Veggie gardens established	1	0
Soup kitchens established or supported	2	0
Initiatives to increase awareness on child abuse	3	1
Initiatives to increase awareness on disability	3	2
Initiatives to increase awareness on women	2	2
Initiatives to increase awareness on HIV/AIDS	1	2
Initiatives to increase awareness on Early Childhood Development	2	2
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	5	3

Table 159.: Service statistics for Child care; Aged care; Social programmes

Employees: Child care, aged care, social programmes					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	1	1	0	0

Employees and Posts numbers are as at 30 June.

Table 160.: Employees: Child care, aged care, social programmes

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3.7 COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

3.7.1 Introduction to Environmental Protection

The Environmental Management Section strives to achieve the following:

- ➔ To ensure declared protected area status for Nature Reserves in terms of the NEM:PAA
- ➔ To institute management strategies for all natural areas according to the IMP and IDF
- ➔ To institute management of biodiversity for all areas under the guidelines of the IMP and IDF through invasive alien plant clearing, fire management and coastal management.
- ➔ To institute invasive alien vegetation clearing and management according to the Integrated Invasive Vegetation Management Plan.
- ➔ To lead a better understanding, appreciation, use and conservation of the limited natural resources within OSM (including biodiversity, soil, water and energy) by the owners and staff of, and visitors to OSM.
- ➔ To promote the conservation of the environment (biophysical, socio-economic and cultural-historic characteristics) by formally entering into Stewardship Programmes and /or Conservation Management Agreements with neighboring property owners.
- ➔ To promote and continue with the integrated management of Reserves and natural areas by the Municipality in partnership with current and any other NGO's which may be formed who wish to be involved with the management of the natural areas in OSM.
- ➔ To develop a tourism strategy for the natural areas together with the Overstrand Tourism Section.
- ➔ To develop and maintain high quality visitor infrastructure, facilities and recreational activities along sound financial lines.
- ➔ To enhance the tourist potential of the Overstrand Municipal area by offering the local public, and local and overseas tourists the opportunity to visit well-managed and accessible Reserves.
- ➔ To encourage research which contributes to national and international endeavors to conserve natural habitats and indigenous fauna and flora within OSM.
- ➔ To promote and improve Environmental Education in the Overstrand Municipal area for the benefit of local and international visitors, scholars and students.
- ➔ To obtain funding for management and research Programmes
- ➔ To generate sustainable funding for the management of natural areas through the development visitor infrastructure, facilities and recreational activities.
- ➔ To promote strategies for the sound management of the interface between the Natural and Urban Environment, for example Baboon Management and the Stoney Point Penguin Colony.

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3.7.2 Pollution Control

Pollution Control is provided by the Overberg District Municipality. An Air quality Control Policy still needs to be developed for Overstrand Municipality which will be included into the Integrated Development Framework (EMF). We do not have a dedicated staff member for pollution control and therefore do not have the capacity to implement all forms of pollution control.

3.7.3 Bio-Diversity and Landscape



The Overstrand Municipality is the landowner of open spaces, nature reserves and coastal zones within the Overstrand Area stretching from Pringle Bay to Buffeljagsdam. The Municipality is in the process of re-proclamation of its Nature Reserves and expansion of protected areas. OSM is also in the process of the finalization of the coastal setback lines and coastal zone identification within its coastal areas.

The long-term **vision** for the future is to “manage, protect and sustainably use the natural assets of our areas, in partnership with the relevant communities, to preserve and ensure the continued existence of our rich biodiversity and its associated ecological processes and services of our environment”.

Our **mission** is to “conserve the rich biodiversity, diverse natural ecosystems and cultural heritage characteristics of our environment through the implementation of management programmes that have clearly defined management goals and objective for the enlightenment, enjoyment and benefit of present and future generations”.

a) Top 3 Service Delivery Priorities:

Approved Management Plans for our 2 Nature Reserves: Consultant in the process of finalizing the Integrated Management Plan for Fernkloof Nature Reserve, final draft currently being reviewed and to go out for Public Participation Process. Kleinmond Nature Reserve will be drafted after the Fernkloof Plan has been approved.

Integrated Development Framework: Consultant in process of drafting Environmental Management Framework for Overstrand Environmental Management Section.

Coastal Setback Lines: Overberg District Municipality and Department of Environmental Affairs and Development Planning introduced the Coastal Setback line process for the Overberg Region, including

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the Overstrand Municipality. Currently the public participation process is underway for tender review in order to finalize the 20yr; 50yr and 100yr setback lines for the Municipality.

There was a new appointment for an IA Manager for Working for Water. This position ensures that the R6.2mil national funding from the Working for Water Programme is dedicated to the clearing of invasive alien plants within the 3 projects within the Overstrand Area. This project ensures the clearing of mountain catchments of invasive alien plants which secures water quality and quantity and conservation and improvement of biodiversity. It also ensures job creation, skills development and poverty relieve. 20 000 person days were allocated within the 2011/2012 Working for Water financial year.

3.8 COMPONENT G: SECURITY AND SAFETY

This component includes: traffic; law enforcement; fire and disaster management

3.8.1 Introduction to Security & Safety

The function of security and safety in the Overstrand Municipality is to provide a safe environment for the residents of the Overstrand and to ensure the safety of the personnel of the Overstrand Municipality through effective and efficient operationalisation of all relevant plans in conjunction with all public safety institutions.

3.8.2 Law Enforcement

a) Introduction to Law Enforcement

The aim of Law Enforcement in a municipality is to create an environment that will further the social and economic development of the community. Given that context the quality of life within a municipality depends to a large extent on the possibility that individuals and their families will be safe. They will also feel safe while using public open spaces and equipment and that conflicts within communities can be resolved peacefully. On a provincial level law is enforced by the South African Police Services. They have an extremely heavy workload and therefore certain laws (By-laws) and laws applicable only to a particular municipality are enforced by the Law Enforcement Officers appointed within its area of jurisdiction.

b) Highlights: Law Enforcement

Highlights	Description
Bylaw Enforcement	Law Enforcement has system called EMIS in place to record all cases received. The system is a job card system which assist the department in ensuring that all cases received are attended to, completed and feedback is provided to the public. Control Book is another way of keeping and tracing records for terms

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Highlights	Description
	of reference in the near future. In maximizing efficiency in terms of service delivery our department established offices in Hermanus, Kleinmond and Gansbaai Area. Each office has a regional head that ensure that the office functions effectively

Table 161.: Law Enforcement Highlights

c) Challenges: Law Enforcement

Description	Actions to address
Public ignorance towards By-laws	Regular news publications and awareness campaigns
Court overloaded with cases – municipal cases withdrawn	Plan to install an additional court dedicated to municipal issues. Business plan submitted to Justice department – await approval
Crime regarding informal businesses escalating	Campaigns to inform business owners regarding safety against crime. Apply provisions of Business Act
Shortage of Permanent staff	EPWP contract staff was appointed to fulfill Law Enforcement Operational & Admin needs.
Operational Challenges	Despite the fact that the ratio of Law Enforcement Official to Ratepayer in the Overstrand is 1:6400, the operational staff could meet the challenge and could exceed in the addressing of contraventions towards Municipal legislation.

Table 162.: Law Enforcement Challenges

d) Service statistics for Law Enforcement

Law Enforcement			
No.	Details	2010/11	2011/12
		Actual No.	Actual No.
1.	Number of by-law infringements attended	9 676	12 753
2.	Number of officers in the field on an average day	15	18
3.	Number of officers on duty on an average day	15	18

Table 163.: Law Enforcement Data

Type of service	2010/11	2011/12
Policing and monitoring of Bylaws contraventions	Town Planning and Building Act	Town Planning and Building Act
	Internal Investigations	Internal Investigations
	Municipal Claims	Municipal Claims

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Type of service	2010/11	2011/12
	Assisting different role players such as SAPS and SARS.	Assisting different role players such as SAPS and SARS.
	Events Operational Planning	Events Operational Planning
	Safeguarding of Fernkloof and HPP	Safeguarding of Fernkloof and HPP
	Safeguarding of Municipal property	Safeguarding of Municipal property
	Overstrand Car Guarding and Parking's.	Overstrand Car Guarding and Parking's.
	Urban Metro, monitoring of illegal structures on informal settlements	Urban Metro, monitoring of illegal structures on informal settlements

Table 164.: Additional performance information for Law Enforcement

e) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12		
						Target	Actual	
TL97	Creation and maintenance of a safe and healthy environment	Establish community safety plans by the end of June 2012 in conjunction with the Department of Community Safety and the District to address safety challenges within the communities	% of plans established	All	New performance indicator for 2011/12. No comparatives available	100%	100%	
TL96	Creation and maintenance of a safe and healthy environment	Establishment of the Municipal Court by the end of September to enhance effective law enforcement	Approved application	All	New performance indicator for 2011/12. No comparatives available	100%	0%	
TL99	Creation and maintenance of a safe and healthy environment	Implementation of Close Circuit Television in the strategic areas at civic centre subject to the successful funding of the project by the end of June	% implemented	All	New performance indicator for 2011/12. No comparatives available	100%	0%	

Table 165.: Service delivery indicators: Law Enforcement

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Employees: Law Enforcement					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	0	0	0	0	0
7 - 9	5	9	9	0	0
10 - 12	5	6	6	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	13	18	18	0	0
<i>Employees and Posts numbers are as at 30 June</i>					

Table 166.: Employees: Law Enforcement

Capital Expenditure 2011/12: Law Enforcement					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	500	0	500	0	500
Law Enforcement Vehicles	500	0	500	0	500
Total project value represents the estimated cost of the project on approval by Council					

Table 167.: Capital Expenditure 2011/12: Law Enforcement

On capital budget two light duty vehicles were purchased for R240 000 and two sedan vehicles were purchased for R260 000. More vehicles still need be purchased so that manpower can utilize them in working towards increasing productivity and maximizing efficiency and effectiveness of service delivery

3.8.2 Traffic Services

a) Introduction to Traffic Services

The aim and function of the Traffic Department is to educate and create a culture of voluntary compliance with road traffic rules and regulations and to enhance courteous and tolerant road user behavior. We operate on the legal mandate of the NRTA 93/96 & NLTA 5/2009. Our operational

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activities include roadblocks at strategic places, high visibility in hotspot areas, special intelligence driven operations, random vehicle check points, execution of traffic related warrants and enforcement of traffic laws. Our operational approaches is to co-ordinate and integrate operations, sporadic interventions in hotspot areas as per crime threat analysis e.g. offence patterns, etc. and special operations and speed enforcement in high accident frequency locations and high traffic offence locations.

b) Highlights: Traffic Services

Highlights	Description
Road Accidents & Fatality ratio i.r.t. incoming & outgoing vehicle counts during high peak seasons (Whale Festival & Easter weekend) & school holidays (June/July & December)	Whale Festival 2011 – more than 17 000 vehicles incoming for the period from 30 September to 2 October 2011, only 7 accidents of which none is fatal or serious.

Table 168.: Traffic Services Highlights

c) Challenges: Traffic Services

Challenges	Actions to overcome
<p>1. <i>Equipment:</i></p> <ul style="list-style-type: none"> ➔ Shortage of hand radio's as well as the poor frequency of the radio's which created a delay in the relaying of important information; ➔ Vehicles which is not up to standard and in poor condition and ends up in the workshop continuously; ➔ Poor media coverage & public awareness during important events for example road works, which lead to unnecessary frustrations & unforeseen problems. <p>2. <i>Training:</i></p> <ul style="list-style-type: none"> ➔ Officers need to attend frequent refresher courses wrt the National Road Traffic Act. <p>3. <i>Staff:</i></p> <p>The number of staff, operationally and administrative, is not efficient to keep up with the growth of Overstrand wrt the roads, the population, the number of fines and the number of drivers licenses issued.</p>	<p>Despite of all these challenges, operational and administrative staff still performed above and beyond any expectations. Over 19 000 cases were written during 2011/2012 worth more than R9 000 000. More than 25 000 speed cases were captured and this capturing was done by only 3 permanent staff members. More than 10 000 licenses were issued with only 2 permanent cashiers sometimes working through lunchtimes to accommodate members of the public. Officers reported for point duty every day during peak hours, whether it was storming or whether the sun was burning down on them, just to ensure that everyone using our roads get to work or home safely and in the quickest time possible.</p>

Table 169.: Traffic Services Challenges

d) Service statistics for Traffic Services

Traffic Services			
No.	Details	2010/11	2011/12
		Actual No.	Actual No.
1	Number of road traffic accidents during the year	198	186

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Traffic Services			
No.	Details	2010/11	2011/12
		Actual No.	Actual No.
2	Number of officers in the field on an average day	17	15
3	Number of officers on duty on an average day	6	10

Table 170.: Traffic Services Data

Type of service	2010/11	2011/12
Animals impounded	608	155
Motor vehicle licenses processed	13 545	13 545
Learner driver licenses processed and issued	5 749	4 557
Driver licenses processed	1 749	1 458
Driver licenses issued	6 784	5 861
Fines issued for traffic offenses	19 263	19 583
R-value of fines collected	R4 340 040.45	R4 249 150.00
Roadblocks held	462	560
Special Functions – Escorts	65	45
Awareness initiatives on public safety	15	28

Table 171.: Additional performance information for Traffic Services

e) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL98	Creation and maintenance of a safe and healthy environment	Establishment of the Municipal Pound by the end of November	% established	All	New performance indicator for 2011/12. No comparatives available	100%	100%
TL95	Creation and maintenance of a safe and healthy environment	Optimal collection of fines issued for the financial year	R-value of fines collected per quarter	All	New performance indicator for 2011/12. No comparatives available	R 3,000,000	R 4,893,128

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Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL100	Creation and maintenance of a safe and healthy environment	Arrange public safety awareness campaign to ensure effective services and operational readiness	Number of campaigns held	All	New performance indicator for 2011/12. No comparatives available	12	57

Table 172.: Service delivery indicators: Traffic Services

Employees: Traffic Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	8	6	5	1	17
7 - 9	9	6	5	1	17
10 - 12	15	19	17	2	11
13 - 15	2	2	2	0	0
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	36	36	32	4	45
Employees and Posts numbers are as at 30 June.					

Table 173.: Employees: Traffic Services

Capital Expenditure 2011/12: Traffic Services					
R'000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 000	961	645	355	645
Registered Pound	1 000	961	645	355	645
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 174.: Capital Expenditure 2011/12: Traffic Services

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The Western Cape Department of Transport and Public Works (DTPW), in partnership with the Provincial Department of Community Safety funded R1 million to build a impound facility. According to an agreement between DTPW and the municipality, the Department provided the funding for the construction of the facility whilst the municipality built it.

There are three other impound facilities in the Western Cape. The other facilities are in Ndabeni in Cape Town, in Beaufort West and in George. The impound facility in Hermanus will service the whole Overberg region including surrounding areas in towns like Swellendam and Agulhas.

The purpose of impoundment is to encourage public transport operators to operate legally in terms of a valid public transport operating license or permit and to adhere to the conditions of that operating license.

The site next to the Onrus Electrical department was elected and the first site inspection took place on 11 July 2011.

A tender was put out by Overstrand Municipality for the construction work, as well as the supply and delivery of a mobile office. The construction tender was awarded to John Gaffley Builders and the mobile office was awarded to Kwikspace Modular Buildings.

The project was completed on 30 April 2012 and the official opening took place on 8 June 2012.



3.8.3 Fire Services and Disaster Management

a) Introduction to Fire Services and Disaster Management

Fire Services is responsible for the following functions:

- ➔ Fire-fighting of structural fires, veld and bush fires and any other fire;
- ➔ Fire safety (the application of the National Building Regulations, Fire codes and municipal by-laws with regard to fire safety);
- ➔ Rescue services;
- ➔ Support services to municipal and other instances;
- ➔ Fire pre-planning and related preparedness plans;

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- ➔ Testing and basic maintenance work on emergency vehicles and equipment; and
- ➔ Fire communications facilities for the particular service.

To improve on our current services and to deliver a more effective service to the community the following needs were planned and implemented:

- ➔ The existing staffing system was expanded to accommodate a 24 hours shift/standby system
- ➔ Acquiring additional fleet
- ➔ Acquiring additional equipment
- ➔ Establishment of a dedicated Fire Prevention/Safety section
- ➔ Improve and establish an effective fire hydrant maintenance plan.
- ➔ Continuous formal and in-house training program

Our Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, -mitigation, -preparedness, -response, -recovery and -rehabilitation.

b) Service statistics for Fire Services

Fire Service Data			
No.	Details	2010/11	2011/12
		Actual No.	Actual No.
1	Total fires attended in the year	430	372
2	Total of other incidents attended in the year	281	336
3	Average turnout time - urban areas	21 min.	14 min.
4	Average turnout time - rural areas	28 min.	23 min.
5	Fire fighters in post at year end	92	82
6	Total fire appliances at year end	8	5
7	Average number of appliance off the road during the year	1	4

Table 175.: Fire Service Data

c) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL101	Creation and maintenance of a safe and healthy environment	Increase capacity and expand fleet to implement the Fire Management Plan	Appointment of 1 permanent staff member and purchase of 2 vehicles by the end of June 2012	All	New performance indicator for 2011/12. No comparatives available	3	2

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Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL93	Creation and maintenance of a safe and healthy environment	Inspect and assess infrastructure and role players to ensure disaster operational readiness	Assessment report	All	New performance indicator for 2011/12. No comparatives available	1	1
TL94	Creation and maintenance of a safe and healthy environment	Annually review and submit Disaster Management Plan for assessment by the District by the end of June 2012	% compliance	All	100%	100%	100%

Table 176.: Service delivery indicators: Fire Services and Disaster Management

Employees: Fire Services and Disaster Management					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0
7 - 9	5	6	6	0	0
10 - 12	2	2	2	0	0
13 - 15	2	3	2	1	33
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	11	13	12	1	8

Employees and Posts numbers are as at 30 June.

Table 177.: Employees: Fire services and Disaster Management

Capital Expenditure 2011/12: Fire Services and Disaster Management					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value

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Capital Expenditure 2011/12: Fire Services and Disaster Management					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	412	195	195	0	412
Upgrading Training ground	45	45	45	0	45
Fire brigade Kleinmond	60	00	00	0	60
Upgrading Garage	85	00	00	0	85
Minor assets	222	150	150	0	222
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

Table 178.: Capital Expenditure 2011/12: Fire Services and Disaster Management

3.9 COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.9.1 Introduction to Sport and Recreation



a) Highlights: Sport and Recreation

Highlights	Description
Sports events at Kleinmond Main Beach, Kleinmond	→ Pronutro X-trail in May 2010 – Kleinmond

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Highlights	Description
Caravan park and Palmiet Caravan park.	Caravan Park. → Gravity Adventure Festival 2010 & 2011– Palmiet Caravan Park and Palmiet Day Camp. → Total Sports Challenge 2010 & 2011 – Kleinmond Beach. → Facilities were maintained in a good order.
Lotto money received for Stanford.	An amount of R500 000 from SA national Lottery to build a new dressing room for the soccer field.
Sponsorship/Funding	Barclays (UK) via ABSA bank sponsored several coaching, educational and development programmes to the value of ±R500 000.
Irrigation	The most costly element of sport field maintenance is addressed by using purified effluent from the sewer purification plant.

Table 179.: Sport and Recreation Highlights

b) Challenges: Sport and Recreation

Description	Actions to address
The request from various sports clubs for the Overstrand municipality to provide facilities (sport grounds and clubhouses of acceptable standard)	A request was referred to budget office. Ward projects did fulfill in some of the needs.
Establishing of representative umbrella body	Meetings with stakeholders.
Maintenance of grass	→ Sport fields should have own equipment. → Horticulturist appointed that organize certain functions like weed spraying and aerating of all the fields.
Vandalism of infrastructure	To install more lighting and policing of law enforcement.

Table 180.: Sport and Recreation Challenges

c) Service statistics for Sport and Recreation

Type of service	2010/11	2011/2012
Community parks		
Number of parks with play park equipment	Statistics not readily available	42
Number of wards with community parks	Statistics not readily available	13
Swimming pools		
Number of visitors per annum	Statistics not readily available	17 350

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Type of service	2010/11	2011/2012
R-value collected from entrance fees	Statistics not readily available	R13 410
Camp sites/Resorts		
Number of visitors per annum	Statistics not readily available	17 171
R-value collected from visitation and/or accommodation fees	Statistics not readily available	R3 950 434.91
Sport fields		
Number of wards with sport fields	Statistics not readily available	12
Number of sport associations utilizing sport fields	Statistics not readily available	23
R-value collected from utilization of sport fields	Statistics not readily available	R3 688
Sport halls		
Number of wards with sport halls	Statistics not readily available	2
Number of sport associations utilizing sport halls	Statistics not readily available	9
R-value collected from rental of sport halls	Statistics not readily available	R6 500

Table 181.: Additional performance information for Sport and Recreation

Capital Expenditure 2011/12: Sport and Recreation					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 607	1 607	1 583	24	1 583
Hermanus Swimming Pool	887	887	887	0	887
Hawston - Spectator Seating	60	60	48	12	48
Mount Pleasant – Upgrade Change Rooms and Club House	80	80	68	12	68

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Capital Expenditure 2011/12: Sport and Recreation					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Dressing room for soccer field	500	500	500	0	500
Spaces for Sport: Parking area	80	80	80	0	80
<i>Total project value represents the estimated cost of the project on approval by Council</i>					

Table 182.: Capital Expenditure 2011/12: Sport and Recreation

3.10 COMPONENT 1: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

3.10.1 Executive and Council

This component includes: Executive office (mayor; councilors; and municipal manager).

a) Highlights: Executive and Council

Highlights	Description
Greenest Municipality	<ul style="list-style-type: none"> → National winner of the Greenest Municipality Competition. → Winner of the category for Leadership, Institutional Arrangements and Public Participation in the Western Cape leg of the Greenest Municipality Competition 2011. → First Runner up in the 2011 Western Cape Integrated Waste Management evaluation
Blue Drop achievements	Five of the eight municipal water purification plants received Blue Drop awards and the Gansbaai water purification plant at Franskraal was chosen as the best in its class
Green Drop Awards	The Hermanus sewerage works received a Green Drop while the municipality achieved overall ninth place nationwide in the Green Drop evaluation
International recognition for GIS	Special Achievement in Geographic Information Systems awarded at the 2011 ESRI International Users Conference in San Diego
Productivity improvement recognised	Certificate for outstanding achievement in productivity improvement in the category Public Sector from Western Cape Productivity SA

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Highlights	Description
Housing Project received award	Special Merit Award from the SA Housing Foundation for the creativity and innovation displayed in the Kleinmond Housing Project
Longest running Blue Flag Beach in the country	Blue Flag status for Grotto, Hawston and Kleinmond beaches for the 2011/12 holiday season, with Grotto now the beach with the longest uninterrupted Blue Flag record

Table 183.: Executive and Council Highlights

b) Challenges: Executive and Council

Description	Actions to address
Drought situation affecting Greater Hermanus area	Integrated approach to raise awareness of situation, conduce 20 percent saving in water consumption and active steps to prevent water losses
<p>Strategic analysis revealed the following weaknesses: the existing style of silo management, lack of facilities at corporate head office, the backlog in service infrastructure, inadequate operation and maintenance of assets, inadequate public communication and participation, a lack of social upliftment strategies with regard to leisure time, capacity building, youth, drugs and early childhood development, lack of mobility for commuters and lack of succession planning in senior positions.</p> <p>The threats lies in the neglected state of our intergovernmental relations, the state of the economy, labour and other inhibiting legislation, the unrealized expectations of disadvantaged communities, unsustainable financial resources, unemployment and high in-migration of labour, water resources, unfunded mandates, crime and vandalism, electricity price hikes and shortages, an ineffective district municipality, global warming, civic intolerance and public apathy, lack of judicial support, inadequate suitable land for housing, the possibility of a single public service and the impact of the national health service on municipalities.</p>	<p>The Integrated Development Plan focused on the following:</p> <ul style="list-style-type: none"> ➔ Basic Service Delivery <ul style="list-style-type: none"> • Effective development of the Municipal Infrastructure; • Effective management, operation and maintenance of municipal infrastructure; ➔ Social Upliftment and Economic Development <ul style="list-style-type: none"> • Development of sustainable human settlements • Creation of a conducive environment for local economic development • Development of strategies and projects for vulnerable groupings ➔ Optimization of financial resources <ul style="list-style-type: none"> • Effective financial management ➔ Good governance <ul style="list-style-type: none"> • Effective co-operative government within the constitutional mandate • Effective communication and community involvement • Sound municipal administration ➔ Safe and Healthy Environment <ul style="list-style-type: none"> • Effective public safety and disaster management • Effective environmental management

Table 184.: Executive and Council Challenges

c) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual

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Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12		
						Target	Actual	
TL7	The provision of democratic and accountable governance	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	All	11	8	8	
TL26	The provision of democratic and accountable governance	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	% spent	All	New performance indicator for 2011/12. No comparatives available	95%	91.80%	
TL39	The provision of democratic and accountable governance	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed	All	New performance indicator for 2011/12. No comparatives available	4	4	
TL34	The provision of democratic and accountable governance	Functional audit committee measured by the number of meetings per annum	No of meetings held	All	4	4	4	
TL33	The provision of democratic and accountable governance	Quarterly assessment of the performance of the directors	Number of assessments per director	All	New performance indicator for 2011/12. No comparatives available	4	4	
TL27	The provision of democratic and accountable governance	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	9	8	9	
TL28	The provision of democratic and accountable governance	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per annum	All	5	8	9	
TL31	The provision of democratic and accountable governance	Annual revision of the anti-corruption policy and implementation of quarterly awareness actions	Number of actions implemented	All	New performance indicator for 2011/12. No comparatives available	4	4	

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Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12		
						Target	Actual	
TL32	The provision of democratic and accountable governance	Annual revision of top 10 risks and quarterly progress reports on corrective action to address risks	Number of progress reports	All	New performance indicator for 2011/12. No comparatives available	4	4	
TL35	The provision of democratic and accountable governance	Quarterly report on progress with implementation of key controls as identified in key control deficiencies by the Auditor-General	Quarterly reports submitted on achievement of committed dates	All	New performance indicator for 2011/12. No comparatives available	4	4	
TL29	The provision of democratic and accountable governance	Report quarterly on corrective action implemented on all reported cases of non-compliance with laws and regulations	Number of reports submitted	All	New performance indicator for 2011/12. No comparatives available	4	4	
TL36	The provision of democratic and accountable governance	Risk based audit plan approved by the end of September	Plan approved	All	100%	100%	100%	
TL30	The provision of democratic and accountable governance	The municipality complies with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations/condoned	All	0	0	0	
TL62	The provision of democratic and accountable governance	The adjustment budget is approved by Council by the end of February	Approval of Adjustments Budget before the end of February	All	100%	100%	100%	
TL61	The provision of democratic and accountable governance	The main budget is approved by Council by the end of May	Approval of Main Budget before the end of May	All	100%	100%	100%	
TL83	The provision of democratic and accountable governance	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	All	100%	100%	100%	
TL85	The provision of democratic and accountable governance	Strengthen the role of communities by developing ward based profiles	No of ward based profiles developed	All	New performance indicator for 2011/12. No comparatives available	10	6	

Table 185.: Service delivery indicators: Executive and Council

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Employees: Executive and Council					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	4	5	5	0	0
7 - 9	1	1	1	0	0
10 - 12	2	2	2	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	8	9	9	0	0
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 186.: Employees: Executive and Council

3.10.2 Financial Services

a) Introduction: Financial Services

Financial Services

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management results in the misdirection of resources and increases the risk of corruption. The key objective of the Municipal Finance Management Act (2003) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services.

Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

The management of key financial and governance areas is achieved by focusing on:

- ➔ reducing the levels of outstanding debt owed to the Municipality, to assist with service delivery spending and maintaining a healthy cash flow;
- ➔ maintaining an unqualified audit for the Municipality by resolving audit findings and improving financial governance; and
- ➔ maintaining a good credit rating to ensure favourable lending rates and terms.

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Spending budgets to maximise delivery

The Municipality's annual budget comprises an operating budget and a capital budget. The operating budget funds employee salaries, operating costs, purchases and assistance for the poor, such as free basic water and sanitation. The capital budget is set aside for spending on infrastructure and services, such as roads, water and electricity as well as the many other utilities and services that Overstrand needs in order to function, grow and offer opportunities to its residents.

The entire budget amount per annum is based on the income that the Municipality expects to derive from rates, service charges, and grants and subsidies. During the 2010/11 financial year, the Municipality managed to spend 94% of its capital budget and 98% of its operating budget. 102% of revenue was collected as a percentage of the total billed amount.

Financial Management Reforms

In order to achieve our objectives, the Municipality has implemented the following financial management reforms to ensure that resources are used efficiently:

- ➔ Efficient costing of services and projects by identifying and managing the cost drivers.
- ➔ Active use of forecasts and projections to manage cash flow efficiently.
- ➔ Active monitoring of income and expenditure against pre-determined budget targets/projections.
- ➔ Set financial benchmarks and monitor performance against them.
- ➔ Development of a feasible capital funding strategy.
- ➔ Development of a feasible cash and investment strategy.
- ➔ Exploring additional funding sources.

b) Highlights: Financial Services

Highlights	Description
Municipal Financial Management Programme Training	Four officials, out of twenty people in this division, attended the Municipal Financial Management Programme Training, which will result in the attainment of the competency levels in terms of the MFMA Competency Regulations.
Costing function - Expenditure and Asset Management division	A Costing function was added to the Expenditure and Asset Management division during 2010. This section has been responsible for the implementation of a Job Costing Framework in respect of Ward Specific Projects and LLP Projects as a first phase. The implementation of a Capital project / Asset Component Framework as from 1 July 2011 was the next step in the utilizing of the costing system. This development now enables the municipality to implement GRAP principles regarding componentization as from project execution stage.
Creditor Reconciliation Statements	A Creditor Reconciliation Statement component,

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Highlights	Description
	enabling the Creditor Section staff to reconcile to Supplier Statements in employing an integrated and verified approach, was developed in-house and subsequently incorporated by Bytes Systems Integration (Pty) Limited as part of the SAMRAS Financial System, now available to other SAMRAS Users as well.

Table 187.: Financial Services Highlights

c) Challenges: Financial Services

Description	Actions to address
Further system considerations - GRAP Compliant Asset Register	<p>A big step has been taken during the past year in the implementation of the costing functionality in aligning processes in order to simplify actions, minimise repetition and the occurrence of capturing inaccurate information with regard to Asset Register updating.</p> <p>Consideration with regard to the optimal solution entailing the preferred system to accommodate both financial Asset Registers and Asset Maintenance Programmes, are identified as the major consideration in our strategy to achieve a control environment in maintaining the Asset Register as well as achieving functionality to address both the financial and technical requirements.</p>
Optimally effective systems and procedures & provision of costing information to Executive Management Team	<p>The challenges are identified as a continuous focus on identifying and improving on deployment of optimally effective systems and procedures, as before-mentioned is viewed as key to optimal service rendering to our internal as well as external clients.</p> <p>The consideration will also be to review existing norms within the organization with regard to provision of costing information to the Executive Management Team, taking into account the phenomenon of information overload, applicable even more so at executive management level.</p>

Table 188.: Financial Services Challenges

Details of the types of account raised and recovered	Debt Recovery								
	R' 000								
	2010/11			2011/12			2012/13		
	Billed In Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %	Billed in Year	Estimated turnout for accounts billed in year	Estimated Proportion of accounts billed that will be collected %
Property Rates	129 025	128 288	99.43	136 511	132 790	97.27	147 024	144 084	98
Electricity	189 403	186 399	98.41	233 668	234 030	100.16	260 510	260 510	100

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Details of the types of account raised and recovered	Debt Recovery								
	R' 000								
	2010/11			2011/12			2012/13		
	Billed In Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %	Billed in Year	Estimated turnout for accounts billed in year	Estimated Proportion of accounts billed that will be collected %
Water	77 215	78 760	102.00	87 400	89 127	101.98	93 528	93 528	100
Sanitation	37 218	49 915	98.80	57 018	55 906	98.05	58 680	57 800	98.50
Refuse	50 523	39 016	104.83	40 194	39 723	98.83	47 299	46 826	99

Table 189.: Debt recovery

d) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12		
						Target	Actual	
TL8	The provision of democratic and accountable governance	Improvement in conditional grant spending - operational (MSIG, Libraries, CDW, HCE)	% of total conditional operational grants spent (Libraries, CDW)	All	100%	98%	100%	
TL38	The provision of democratic and accountable governance	Action plan completed to ensure that the root causes of issues raised by AG in AG report of the previous financial year are addressed to promote a clean audit	Number of plans completed	All	1	1	1	
TL60	The provision of democratic and accountable governance	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	New performance indicator for 2011/12. No comparatives available	1.2	5.17	
TL58	The provision of democratic and accountable governance	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	All	New performance indicator for 2011/12. No comparatives available	12	18.6	

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Ref	Strategic objective	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL59	The provision of democratic and accountable governance	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	New performance indicator for 2011/12. No comparatives available	9%	11.60%
TL64	The provision of democratic and accountable governance	Improved revenue collection	% Debt recovery rate	All	99.33%	90%	122.55%
TL63	The provision of democratic and accountable governance	Compliance with GRAP standards measured by the number of findings in the audit report	0 findings in the audit report on non-compliance	All	0	0	0
TL67	The provision of democratic and accountable governance	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	1
TL65	The provision of democratic and accountable governance	Financial statements submitted by 31 August	% compliance	All	100%	100%	100%
TL66	The provision of democratic and accountable governance	Improvement in conditional grant spending - operational (FMG, MSIG)	% of total conditional operational grants spent (FMG, MSIG) or committed	All	100%	100%	100%

Table 190.: Service delivery indicators: Financial Services

Employees: Financial Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	54	51	50	1	2
7 - 9	23	26	25	1	4
10 - 12	23	26	22	4	15
13 - 15	8	10	10	0	0
16 - 18	4	5	5	0	0

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Employees: Financial Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	1	1	1	0	0
Total	113	119	113	6	5

Table 191.: Employees: Financial services

3.10.3 Human Resource Services

a) Introduction to Human Resource Services

The Human Resources Department resort under the Director: Management Services and is responsible for the following functions:

- ➔ Strategic Human Resources
- ➔ Recruitment and Selection
- ➔ Labour Relations
- ➔ Performance Management
- ➔ Occupational Health and Safety
- ➔ Training and Development

The challenge is to move from Human Resources Management to Human Capital Management.

b) Service Delivery Priorities

i) Strategic Human Resources

To provide management with effective and efficient strategic advice and support with reference to new and amended legislation, interpretation of policies; organizational change, sound labour relation practices and health and safety environment.

ii) Recruitment and Selection

To ensure that the right persons are appointed at the right time in the right positions are one of the most important challenges. This priority challenges in terms of legislation, cost and service delivery.

iii) Labour Relations

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To apply sound labour relations within the work place. Inform and advise management on the application of disciplinary code and procedures in order to comply with the necessary legislation and Bargaining Council Agreements.

c) Highlights: Human Resources

Highlights	Description
Disciplinary Code and Procedure Training	A total number of 70 Supervisors and Managers was trained to understand and apply the Disciplinary Code and Procedures as per Bargaining Council Agreement
Establishment of Emergency Evacuation Plan	Plan and Procedures finalized and to be tabled at the Health and Safety Meeting on 31 st August 2012
Installation and servicing	All outdated Fire Extinguisher was identified and serviced. A register is now also maintained of fire extinguishers
TASK Job Evaluation	96% of all post are evaluated and audited on the TASK Job Evaluation System and a TASK job evaluation committee was established in-house
MFMA training	2 groups of 30 employees already completed their training and the third group of 26 employees are in the process of being trained
Learning Organization	Each year training budget is fully spent in terms of amount budget for. Training objectives and IDP objectives are aligned
Local Labour Forum and Training Committee	Well established committees that meet on a regular basis

Table 192.: Human Resources Highlights

d) Challenges: Human Resources

Description	Actions to address
Sound labour relations with specific reference to the availability of initiators and chairpersons for disciplinary hearings, is a challenging aspect of the code.	To provide training, workshops and refresher courses to all relevant role players.
Management of sick leave	To provide training to all relevant role players in the managing of sick leave and the procedure regarding disability/incapacity. In-house awareness campaigns informing all employees of the importance of managing sick leave for the purpose of organizational effectiveness as well as the benefit of individual employees.
To implement an effective and efficient Performance Management System to all levels of the organization that will enhance service delivery and development of employees.	Training of all relevant parties. The identification of Performance Management Champions in each Directorate.
Establishment of a well organised, effective and efficient archive system for HR	Close communication with National Archives and continued training of employees.

Table 193.: Human Resources Challenges

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e) Service Delivery Indicators

Ref	Strategic objective	KPI	Unit of Measurement	Ward s	Actual 2010/11	Overall Performance 2011/12	
						Target	Actual
TL37	The provision of democratic and accountable governance	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	9	4	4
TL40	The provision of democratic and accountable governance	Recruit and develop staff in terms of succession planning and career pathing	Actual nr of appointments	All	New performance indicator for 2011/12. No comparatives available	4	4
TL86	The provision of democratic and accountable governance	No of Section 56 performance agreements and MM signed by the end of July	No of performance agreements signed	All	8	7	7
TL89	The provision of democratic and accountable governance	Finalise the Municipal Organisational Staff Structure by the end of February	% completed	All	New performance indicator for 2011/12. No comparatives available	100%	100%
TL87	The provision of democratic and accountable governance	Institutional Performance management system in place and implemented from TASK level 6 - 19	% implemented	All	100%	100%	100%
TL90	The provision of democratic and accountable governance	Creation of an effective institution with sustainable capacity measured in terms of the % of the approved and funded organogram filled	% filled	All	96.58%	90%	91.25%
TL92	The provision of democratic and accountable governance	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	All	New performance indicator for 2011/12. No comparatives available	80%	80%
TL82	The provision of democratic and accountable governance	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1%	1%	1.60%

Table 194.: Service delivery indicators: Human Resources

Employees: Human Resource Services

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Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	6	6	5	1	5.55
7 - 9	2	2	0	0	0
10 - 12	7	7	9	0	0
13 - 15	1	1	1	0	0
16 - 18	2	2	2	0	0
19 - 20	0	0	0	0	0
Total	18	18	17	1	5.55
<i>Employees and Posts numbers are as at 30 June</i>					

Table 195.: Employees: Human Resource services

3.10.4 Information and Communication Technology (ICT) Services

a) Introduction to Information and Communication Technology (ICT) Services

During January 2011 the ICT Department introduced a Service Delivery Framework (SDF) for all ICT related services and systems. The objective of this SDF is to establish a more collaborative approach with the various business units in the Overstrand Municipality in finding and deploying cost effective ICT solutions to ensure ICT delivers "value for money".

During January 2012 an ICT Architecture Framework was introduced to establish a best practice approach that will enable the municipality to assess ICT related service offerings against pre-defined systems architecture. This will mitigate any potential risks experienced with the integration of data between disparate business applications and some of them with proprietary systems architecture.

b) Highlights: ICT Services

Highlights	Description
Development of Management Information system (E-Dashboard)	<p>The primary focus during 2011/2012 financial year was to:</p> <ul style="list-style-type: none"> ➔ Develop a real-time GFS reporting system to assist with the ongoing monitoring and management of operational expenses; ➔ Implementation of a new monthly statement sub system providing a more comprehensive and transparent presentation of water and electricity usage by account holders; ➔ Improved integration between the GIS system and the Financial system; and

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Highlights	Description
	<p>→ Development of a database system for Ward Based Planning in line with the strategic directions for the revised IDP for 2012 to 2017.</p>
Virtualization of the Data Centre	<p>This project was started during the previous financial cycle and was commissioned during the 2011/2012 financial year. The major benefits of this initiative are:</p> <ul style="list-style-type: none"> → Optimization of Data Centre resources - A single platform for all business applications and its respective databases. Will also simplify future upgrades to Data Centre services and systems; → Improved redundancy in case of hardware failures – automated recovery when disc failures occur; → Improved performance and throughput – less overheads in processing data between systems; and → Costs savings – Reduced licensing costs by processing multiple applications on one single platform and also reduced environmental costs (i.e. Power, air conditioning and floor space required for hosting the servers.) <p>Virtualization is an evolving approach to Data Centre services management and provides the basis for all future upgrades and implementation of new business application systems and ICT services and systems.</p>
Microsoft Licensing	<p>As part of the ICT Architecture Framework the municipality has decided to align its ICT service delivery platforms primarily on Microsoft products and toolsets. Microsoft Office 2010 has been procured for deployment on all workstations and Windows 2008 has been procured for deployment on the servers in the Data Centre.</p> <p>The server platforms have already been upgraded as part of the Virtualization project, but the rollout of Microsoft Office to all the workstations are still in progress.</p>
Implementation of an Employee Self Service Leave Sub-system	<p>In collaboration with the Human Resources Department a new Leave Sub-system was introduced that enables employees to electronically capture their own leave, thus doing away with the traditional leave register that need to be completed manually. As at end June 2012, the implementation of this project was still in progress, but will be completed during the first quarter of the 2012/2013 financial year.</p>

Table 196.: ICT Service Highlights

c) Challenges: ICT Services

Description	Actions to address
Implementation of an ICT Disaster Recovery Plan	<p>→ The successful implementation of this project was hampered primarily due to the Telkom network upgrade not being implemented as initially planned and the absence of the ICT Manager due to sick leave.</p>

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Description	Actions to address
	<p>→ The Telkom network has now been resolved and the DR plan will be commissioned during 2012/2013.</p> <p>→ The DR testing of all the application systems will also be done during the 2012/2013 financial year.</p>
Toolsets to monitor and manage the ICT Infrastructure Services	<p>Ongoing investments made in ICT Infrastructure Services and systems warrants the deployment of proper toolsets to monitor and manage this most important and mission critical assets. The statement <i>"What you cannot monitor, you cannot manage"</i> also holds true for ICT Infrastructure Services and systems.</p> <p>Provision will be made in the budget for the next financial cycle to procure the required toolsets to properly monitor the performance and throughput of ICT Infrastructure services and systems to determine growth trends and capacity requirements to enable the ICT Department to timeously procure additional ICT resources as and when required.</p>
Ongoing alignment with emerging ICT technologies, but also continued alignment with statements of direction by Provincial and Central Government, demands from the ICT Department to have a conceptual understanding of strategic initiatives that can be deployed as workable ICT solutions.	To capacitate the ICT Department with suitably qualified and competent employees. Approval will be requested from executive management to re-assess the organizational structure and resources currently deployed in the ICT Department.
Implementation of an Asset Maintenance Management and Financial Reporting System that is GRAP compliant.	<p>The municipality is currently assessing various alternatives for an Asset Maintenance Management system that will not only fit in with our Systems Architecture framework but, will also be able to provide the functionalities to deliver the services required by the various lines of business in the municipality.</p> <p>The investigation and recommendations will be finalised early in the 2nd quarter 2012/2013, in time for management to take an informed decision on the way forward with the Asset Maintenance Management system during the 2012/2013 financial cycle.</p>

Table 197.: ICT Service Challenges

The ICT Department currently does not have all the required toolsets to monitor the performance and throughput of its ICT Infrastructure Services and systems.

However, a measurement of ongoing maintenance and support services can be derived from the Help Desk statistics for the year 2011/2012. During 2012/2013 these statistics will be categorized in more detail to assist with identifying specific problem areas that require focus and attention.

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Graph 20.: Monthly calls log

Employees: ICT Services					
Job Level	2010/11	2011/12			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	4	4	3	1	16%
13 - 15	0	0	0	0	0
16 - 18	1	1	1	*(1)	*(32%)
19 - 20	0	0	0	0	0
Total	6	6	5	1	16%
<p>Special Notes:</p> <p>Absence of ICT Manager due to sick leave.</p> <p>The ICT Manager was key to the success of specific ICT initiatives launched during 2010/2011. His absence due to sick leave contributed to some projects not being completed on time, i.e. Commissioning of the Disaster Recovery site and testing of the Disaster Recovery Plan.</p> <p>The absence of the ICT Manager actually equates to a 32 % vacancy profile. The impact of his absence and loss of his ICT competence, however, equates to much more than 32%.</p> <p>Employees and post numbers are as at 30 June.</p>					

Table 198.: Employees: ICT Services

Capital Expenditure 2011/12: ICT Services	
R' 000	
Capital Projects	2011/12

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	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 161	1 161	667	494	667
Procurement of RF Network	172	172	172	0	172
Upgrade of Campus LANs at Head Office and Regional Offices	589	589	287	302	287
Data Centre Upgrade	250	250	208	42	208
CCTV Network (Municipal Head office Buildings - Upgraded existing system)	150	150	0	150	0
<i>Total project value represents the estimated cost of the project on approval by Council</i>					

Table 199.: Capital Expenditure 2011/12: ICT Services

Capital projects for the ICT Department are primarily dependant on land sales. Preference is also usually given to community infrastructure projects when funding becomes available. The following ICT Capital projects have been postponed to 2012/2013 pending the availability of funding:

- ➔ Upgrade of the RF Network. Estimated value is R1M. Previously the RF Network and Telecommunications Systems were rented from GIJIMA Holdings for a term of three years. GIJIMA also provided the support and maintenance for the RF Network and Telecommunication systems. The municipality procured the RF Network and Communications Systems from GIJIMA in May 2012. A proper due diligence of the RF Network will be done to determine the technical specifications for the planned upgrade.
- ➔ Upgrade of the Digital Radio Network. Estimated value is R1M. This project was also delayed due to the absence of the ICT Manager due to sick leave. The technical design specifications still need to be developed.
- ➔ Implementation of a Bio-metric Time and Attendance System: Estimated value is R600 000. Pending the availability of funding, Council intends to give approval for this project to go ahead in the 2012/2013 financial year.

3.10.5 Legal Services

a) Highlights: Legal Services

Highlights	Description
Ombudsman Committee	Legal Services' was responsible for the organization and administration of the first 6 hearings of the Ombudsman Committee.

Table 200.: Legal Services Highlights

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b) Challenges: Legal Services

Description	Actions to address
The advent of a Municipal Court	Adequate training for legal officials as municipal court prosecutors.

Table 201.: Legal Services Challenges

Employees: Legal Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	2	2	0	0
Employees and Posts numbers are as at 30 June.					

Table 202.: Employees: Legal Services

3.10.6 Procurement Services

a) Highlights: Procurement Services

Highlights	Description
The establishment of a Contract Management section.	A Contract Manager was appointed on 1 June 2012 to monitor all the contracts maintained by the Municipality and to ensure that all contracts are properly managed, reported, finalised and revised where applicable.
The Supply Chain Management Policy has been amended twice	Policy amendments were enforced by the promulgation of the Preferential Procurement Regulations, 2011 in November 2011 and once again during the annual review of budget-related policies.
The roll-out of the electronic requisition system all over the municipality	The electronic requisitioning system has been rolled out from 01 July 2011 on the SAMRAS DB4 Financial Management System. Therefore it has reduced the involvement of officials from user-departments in the procurement processes except for the provision of specifications.

Table 203.: Procurement Services Highlights

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b) Challenges: Procurement Services

Description	Actions to address
The implementation of Clause 44 & 45 of the Overstrand Municipality's Supply Chain Management Policy (SCMP). The Municipality does not have a database of persons in the service of the state, despite making every attempt to achieve 100% compliance with the SCMP.	No database exists that is regularly updated and maintained that is available to Local Government. Continuous engagement with Provincial Treasury and other role players to ensure that a viable solution to address the problem is found.
The eradication of the occurrence of irregular expenditure.	Strengthening of the control environment to ensure that irregular expenditure is effectively detected and prevented. Creating continuous awareness of the risks of non-compliance and the controls that have been implemented to ensure that we obtain the "buy-in" of all the relevant role players.

Table 204.: Procurement Services Challenges

c) Service Statistics for Procurement Services

- The Buyer's Division processed transactions as follows for the 2011/12 financial year. This is a new division and no comparative results are available.

Activities of the Buyer's Section 2011/2012	Total No	Monthly Average	Daily Average
Requests processed	10 313	1 719	78
Orders processed	11 661	1 944	88

Table 205.: Activities of the Buyer's Section

- The Procurement Division is primarily responsible for the formal bidding processes through the bid committee system and has processed the following transactions:

Bids awarded 2011/2012	Total	Monthly average	Value R
Requests registered	138	11.50	n/a
Requests cancelled or referred back	35	2.92	n/a
Extensions	8	0.67	n/a
Bids received (number of documents)	490	40.83	n/a
Bids awarded	92	7.67	233 836 257
Bids awarded ≤ R200 000	30	2.50	3 822 024
Appeals registered	8	n/a	n/a

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Bids awarded 2011/2012	Total	Monthly average	Value R
Successful Appeals	1	n/a	n/a

Table 206.: Transactions processed by the Procurement Division

3. Deviations from Council's Supply Chain Management Policy can be analyzed as follows:

Type of deviation	Number of deviations	%	Value of deviations	Percentage of total deviations value
Clause 36(1)(a)(i)- Emergency	1	0.38	R430 301.14	0.72
Clause 36(1)(a)(ii)- Sole Supplier	51	19.62	R1 896 255.60	3.15
Clause 36(1)(a)(iii)- Unique arts	1	0.38	R1 950.00	0
Clause 36(1)(a)(v)- Impractical / impossible	212	80.00	R57 840 088.95	96.13
Total	265	100	R60 168 595.69	100

Table 207.: Statistics of deviations from the SCM Policy

3.11 COMPONENT L: SERVICE DELIVERY PRIORITIES FOR 2012/13

The main development and service delivery priorities for 2012/13 forms part of the Municipality's top layer SDBIP for 2012/13 and are indicated in the table below:

3.11.1 Creation of an environment conducive for LED

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL31	Complete the informal trade policy/management of trading sites by the end of September	Policy completed	All	1
TL32	Conduct a survey to evaluate the functional enterprise support by the helpdesk by the end of February	Survey conducted	All	1
TL33	Develop a mobile enterprise support programme for implementation by the end of June	Programme developed	All	1
TL23	Establish LED forum by the end of September	Forum established	All	1
TL26	Improve staff skills to enhance local economic development	Number of staff trained	All	6

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	implementation			
TL27	Present training workshops to SMME's to build capacity	Number of workshops	All	4
TL24	Review the LED Strategy by the end of March	Strategy reviewed	All	1
TL28	Successful external funding obtained for local economic development	Number of successful external funding obtained	All	3
TL18	Development of a Tourism Marketing and Branding Strategy by the end of December	Strategy developed	All	1
TL19	Development of a world class website/e-business platform for marketing and branding of Overstrand by the end of December	% completed	All	100%

Table 208.: Service Delivery Priorities for 2012/13 – Creation of an environment conducive for LED

3.11.2 Development of strategies linked to projects for vulnerable groupings

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL29	Development of a Township Regeneration Strategy by the end of February 2013	Strategy developed	All	1
TL25	Implement the project of the Neighborhood Development and Partnership grant by the end of June	% completed	All	100%
TL30	Review viability of project impact in Hawston, Masakane and Thembelihle and Zwelihlesoccer field and Swartdam market place by the end of September	Number of project reviewed	All	5
TL21	The number of learnerships and referrals facilitated through the municipality's local economic development initiatives that ponder employment for locals	Number of learnerships and referrals facilitated	All	50
TL20	The number of self employed initiatives facilitated through the municipality's local economic development strategies that ponder employment for locals	Number of start up businesses and SMME's	All	20
TL22	The number of temporary jobs facilitated through municipality's local economic development initiatives and other municipal projects (CAPEX and OPEX) that ponder employment for locals	Number of temporary jobs created	All	500

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	(EPWP)			
TL34	Value of contracts assigned to SMME's within the emerging service provider database to enhance economic development	Value of contracts assigned	All	R 10,000,000
TL68	Develop and submit and Early Childhood Development policy by the end of September 2012	Policy completed	All	1
TL67	Develop and submit and Early Childhood Development strategy by the end of August 2012	Strategy completed	All	1
TL69	Facilitate the implementation of community interventions/programmes within available budget for the 6 focal groups by the end of June 2013	# of interventions	All	6
TL70	Report on the viability of availing core municipal documents and by-laws on the municipal web-site in audio and visual format by the end of April 2013	Report submitted	All	1

Table 209.: Services Delivery Priorities for 2012/13 - Development of strategies linked to projects for vulnerable groupings

3.11.3 Effective communication and community involvement

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Ward committee meetings held to ensure consistent and regular communication with residents	Number of ward committee meetings per ward per annum	All	8
TL8	Ward committee policy evaluated and refined on an annual basis by March	Annual evaluation by March	All	1
TL12	Develop and implement a project prioritisation module for capital projects by the end of December	Module developed and implemented	All	1

Table 210.: Services Delivery Priorities for 2012/13 - Effective communication and community involvement

3.11.4 Effective Development of Municipal Infrastructure

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL50	Purchase land by the end of December 2012 and start development of the Karwyderskraal cemetery by the end of June 2013	Number of activities completed	All	1
TL44	Complete construction of the new 66kV substation in Hermanus by the	% completion of the project	5	70%

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	end of June			
TL43	Limit electricity losses to less than 9%	% of electricity unaccounted for	All	9%
TL45	Public awareness drives/programmes together with to water programmes, environmental programmes and solid waste	Number of drives/programmes	All	8
TL46	Revise the Electrical Master plan annually by the end of March	Plan revised and approved by Council	All	100%
TL52	Development of serviced sites for the Eluxolweni housing project by the end of June	Number of sites developed	11	211
TL53	Purchase land for the Stanford housing project by the end of January 2013	Land purchased	11	1
TL58	Development and approval of the Spatial Development Framework and Environmental Management Framework by the end of June 2013	Plan developed and approved	All	1
TL54	Complete construction of Phase 1 of the Hermanus parallel road	% completion of the project	3	70%
TL47	Revise the Integrated Transport Plan annually by the end of March 2013	Plan revised and approved by Council	All	100%
TL51	Complete the final phase of the Zwelihle/Mount Pleasant swimming pool by the end of March 2013	% completion of the project	6	100%
TL56	Complete development of a new cell at Gansbaai landfill site	% completion of the project	All	60%
TL57	Achievement of green drop awards	Number of awards	All	2
TL48	Completion of the final phase of the upgrade and extension of the Waste Water Treatment Works in Hermanus in December 2013	% completion of the project	4	100%
TL49	Completion of the final phase of the upgrade and expansion of the Preekstoel Water Treatment Works in Hermanus by the end of May 2013	% completion of the project	4	100%
TL55	Replacement of water pipes in Overstrand to limit unaccounted water	Kilometers of pipe replaced	All	10
TL59	Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	All	1

Table 211.: Services Delivery Priorities for 2012/13 - Effective Development of Municipal Infrastructure

3.11.5 Effective financial management

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Improvement in conditional grant spending - operational (MSIG, Libraries, CDW)	% of total conditional operational grants spent (Libraries, CDW)	All	98%
TL11	Action plan completed by the end of January to ensure that the root causes of issues raised by AG in AG report of the previous financial year are addressed to promote a clean audit	Plan completed	All	1
TL38	Achieve a debt recovery rate not less than 90%	% recovered	All	90%
TL39	Compliance with GRAP standards measured by the number of findings in the audit report	0 findings in the audit report on non-compliance	All	0
TL40	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0
TL42	Development of options for a feasible capital funding strategy by the end of June 2013	Proposal completed	All	1
TL41	Financial statements submitted by 31 August	% compliance	All	100%
TL35	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	1.2
TL36	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	% achieved	All	25%
TL37	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	Ratio achieved	All	12

Table 212.: Services Delivery Priorities for 2012/13 - Effective financial management

3.11.6 Effective public safety and disaster management

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL71	Annually review and submit Disaster Management Plan for assessment by the District by the end of March 2013	Plan reviewed	All	1
TL73	Annually review community safety	Plan reviewed	All	1

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Wards	Annual Target
	plan by the end of June in conjunction with the Department of Community Safety and the District to address safety challenges within the communities			
TL72	Arrange public safety awareness campaign to ensure effective services and operational readiness	Number of campaigns held	All	16
TL78	By-law enforcement education and awareness to the community	Number of initiatives	All	4
TL74	Establishment of the Municipal Court by the end of March 2013 to enhance effective law enforcement (MOU signed, appoint staff, facilities)	Number of activities completed	All	3
TL75	Implementation of safety and security services at Council strategic sites by the end of September 2012	Number of sites secured	All	10
TL77	Inspect and assess infrastructure and role players to ensure disaster operational readiness	Assessment report	All	1
TL80	Optimal collection of fines issued for the financial year	R-value of fines collected per quarter	All	R 6,000,000
TL76	Review the Fire Management Plan by the end of March 2013	Plan reviewed	All	1
TL79	Utilise speed enforcement cameras in approved strategic areas to reduce transgressions by September 2012	Number of sites	All	12

Table 213.: Service Delivery Priorities for 2012/13 - Effective public safety and disaster management

3.11.7 Sound municipal administration

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL10	Fleet management policy evaluated and refined on an annual basis by December	Annual evaluation by December	All	1
TL14	Annual revision of the anti-corruption policy and implementation of quarterly awareness actions	Number of actions implemented	All	4
TL16	Quarterly report to the Audit Committee on progress with implementation of key controls as identified in key control deficiencies by the Auditor-General	Quarterly reports submitted on achievement of committed dates	All	4
TL15	Quarterly revision of top 10 risks and quarterly progress reports on	Number of progress reports	All	4

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	corrective action to address risks to Executive Management Team			
TL17	Risk based audit plan approved by the Audit Committee by the end of September	Plan approved	All	100%
TL13	Bi-annual workshop with management to promote sound municipal administration	Number of workshops	All	2
TL62	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1%
TL63	Finalise the Municipal Organisational Staff Structure by the end of February	% completed	All	100%
TL64	Institutional Performance management system in place and implemented from TASK level 6 - 19	% implemented	All	100%
TL65	Revise the Section 14 Access to Information Manual by the end of June to ensure compliant and up to date policies	Policy revised	All	1
TL66	Creation of an effective institution with sustainable capacity measured in terms of the % of the approved and funded organogram filled	% filled	All	90%
TL61	Recruit and develop staff in terms of succession planning and career patching in terms of the succession planning policy	Actual nr of appointments	All	4
TL60	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed	All	2

Table 214.: Service Delivery Priorities for 2012/13 - Sound municipal administration

Chapter 4: Organisational Development Performance

CHAPTER 4



4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2010/11	2011/12
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	54	54
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100	100

Table 215.: National KPIs– Municipal Transformation and Organisational Development

Chapter 4: Organisational Development Performance

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Overstrand Municipality currently employs **1 023** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

a) Employment Equity targets/actual

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
321	324	398	468	1	1	352	230

Table 216.: 2011/12 EE targets/Actual by racial classification

Male (Including Disabilities)		Female (Including Disabilities)	
Target June	Actual June	Target June	Actual June
507	755	565	268

Table 217.: 2011/12 EE targets/actual by gender classification

b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	22 289	27 731	226	24 300	74 546
% Population	29.98	37.17	0.25	32.60	100
Number for positions filled	324	468	1	230	1023
% for Positions filled	31.67	45.75	0.09	22.48	100

Table 218.: EE population 2011/12

Chapter 4: Organisational Development Performance

c) Occupational Levels - Race

The table below categorises the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1	2	0	3	0	1	0	0	7
Senior management	0	1	0	3	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	1	9	0	23	1	3	0	13	50
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	17	70	0	58	7	24	1	38	215
Semi-skilled and discretionary decision making	74	126	0	19	21	61	0	62	363
Unskilled and defined decision making	183	158	0	7	19	13	0	4	384
Total permanent	276	366	0	113	48	102	1	117	1023
Non- permanent employees	0	1	0	3	1	2	0	2	9
Grand total	276	367	0	116	49	104	1	119	1032

Table 219.: Occupational Levels

4.2.2 Vacancy Rate

The approved organogram for the municipality had **1092** posts for the 2011/12 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **69** Posts were vacant at the end of 2011/12, resulting in a vacancy rate of **6.32%**.

Below is a table that indicates the vacancies within the municipality:

Per Post Level		
Post level	Filled	Vacant
MM &MSA section 57 & 56	7	0
Middle management (T14-T19)	56	2
Admin Officers (T4-T13)	566	55
General Workers (T3)	394	12
Total	1023	69
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	7	0
Management Services	42	7

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Per Post Level		
Post level	Filled	Vacant
Financial Services	113	6
Community Services	671	42
Protection Services	67	4
Infrastructure and Planning Services	119	10
Economic Development Services	4	0
Total	1023	69

Table 220.: Vacancy rate per post and functional level

The table below indicates the number of staff per level expressed as total positions and current vacancies express as full time staff equivalents:

Salary Level	Number of current critical vacancies	Total posts as per organo-gram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	n/a	0
Chief Financial Officer	0	1	n/a	0
Other Section 57 Managers	0	5	n/a	0
Senior management (T14-T19)	2	2	Legal Advisor Senior Mgr: Strategic Services	3.45%
Highly skilled supervision (T4-T13)	26	26	-Assistant Operator: Water Purification -Works Operator Assistant -Learners Works Operator -Plant Operator: Water & Sanitation -Relief Operator Gr1: Tankers -Supervisor: Purification Works -3x Supervisor Electrical Services -Learner Traffic Officer -3xPlant Operator: Purification Works -Foreman: Sewerage -Works Operator -Artisan Plumber -Administrator: Town Planning -Traffic Officer -Librarian -3xAssistant Sup: Traffic -Senior Sup: Water & Sanitation -Senior Sup: Electrical Distribution -Senior Technician: Water Demand	4.19%

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Salary Level	Number of current critical vacancies	Total posts as per organo-gram	Vacancy job title	Vacancies (as a proportion of total posts per category)
			Management -Internal Auditor	
Total	28	35		4.08%

Table 221.: Vacancy rate per salary level

4.2.3 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a **decrease** from **6.45%** in 2010/11 to **5.40%** in 2011/12.

The table below indicates the turn-over rate over the last two years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2010/11	111	111	65	6.45%
2011/12	56	56	59	5.40%

Table 222.: Turnover Rate

4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a slight **increase** for the 2011/12 financial year from **183** employees injured against **128** employees in the 2010/11 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2010/11	2011/12
Municipal Manager	0	0

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Directorates	2010/11	2011/12
Management Services	0	1
Financial Services	5	6
Community Services	85	127
Protection Services	21	24
Infrastructure and Planning Services	15	22
Economic Development Services	2	3
Total	128	183

Table 223.: Injuries

4.3.2 Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2011/12 financial year shows an **increase** when comparing it with the 2010/11 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2010/11	2011/12
Municipal Manager	26	35
Management Services	368	333
Financial Services	1047	1152
Community Services	7895	8390
Protection Services	719	819
Infrastructure and Planning Services	1366	1176
Economic Development Services	35	45
Total	11456	11950

Table 224.: Sick Leave

4.3.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

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Approved policies	
Name of policy	Date approved/ revised
Employment Equity Policy	November 2008
Recruitment and Selection	September 2009
Collective Agreement Conditions of Service	Adopted (SALGBC) June 2009
Collective Agreement Disciplinary and Grievance Procedure	Adopted (SALGBC) June 2010
Municipal Code of Conduct	Schedule 2 of the Municipal Systems Act 32 of 2000
Uniform /Protective Clothing	November 2008
HIV/AIDS Policy	September 2009
Succession Planning	November 2010
PMS Implementation	November 2008
Rewards and Incentive	November 2008
Retirement Planning	November 2008
Sexual Harassment	November 2008
Leave Policy	August 2010
Employee Study Aid Policy	August 2010
OHS Policy	October 2010
TASK Job Evaluation Policy	October 2010
Gift policy for officials	June 2011
Staff Succession planning policy guidelines	November 2010
Policies still to be developed	
Name of policy	Proposed date of approval
Employee Wellness Program.	Await awarding of Tender

Table 225.: HR policies and plans

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

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Management level	Gender	Number of employees identified for training at start of the year (2011/12)	Number of Employees that received training (2011/12)
MM and S57	Female	0	1
	Male	0	5
Legislators, senior officials and managers	Female	17	14
	Male	29	31
Associate professionals and Technicians	Female	1	3
	Male	23	28
Professionals	Female	9	6
	Male	4	5
Clerks	Female	50	29
	Male	5	11
Service and sales workers	Female	7	4
	Male	30	23
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	1	1
	Male	13	18
Elementary occupations	Female	5	5
	Male	83	71
Sub total	Female	90	62
	Male	187	193
Total		277	255

Table 226.: Skills Matrix

4.4.2 Skills Development – Training provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

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Occupational categories	Gender	Training provided within the reporting period(2011/12)						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	1	1	1	1	2	2	0
	Male	5	5	5	5	10	10	0
Legislators, senior officials and managers	Female	14	17	14	17	28	34	(17.65)
	Male	31	37	31	29	62	66	(6.07)
Professionals	Female	15	18	6	9	21	27	(22.22)
	Male	8	11	5	4	13	15	(13.33)
Technicians and associate professionals	Female	6	9	3	1	9	10	(10)
	Male	2	5	28	23	30	28	7.14
Clerks	Female	10	22	29	50	39	72	(45.83)
	Male	2	8	11	5	13	13	0
Service and sales workers	Female	0	4	4	7	4	11	(63.64)
	Male	3	12	23	30	26	42	(38.09)
Craft and related trade workers	Female	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	1	1	1	1	2	(50)
	Male	0	7	18	13	18	20	(10)
Elementary occupations	Female	0	0	5	5	5	5	0
	Male	2	6	83	71	85	77	10.39
Sub total	Female	46	72	63	109	117	181	(35.36)
	Male	53	91	204	180	257	271	(5.17)
Total		99	163	267	271	740	886	(16.48)

Table 227.: Skills Development

4.4.3 Skills Development - Budget allocation

The table below indicates that a total amount of R3 171 200 were allocated to the workplace skills plan and that 100% of the total amount was spent in the 2011/12 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R193 778 285	R3 171 200	R3 171 200	100

Table 228.: Budget allocated and spent for skills development

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4.4.4 MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

86 Employees were identified to obtain the abovementioned qualification and prescribed competencies. The 86 employees were divided into two groups of 30 and one group of 26. The first group completed their training in January 2012, the second group in March 2012 and the third group will be in May 2013. The service provider is the University of Pretoria.

From the above mentioned it is clear that most of our staff will comply with the requirements of the Government Notice 493 of June 2007.

4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances (R'000)	Total Operating Expenditure (R'000)	Percentage
----------------	---	--	------------

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	R'000	R'000	
2010/11	190 705	703 080	27.12
2011/12	199 476	733 196	29.2

Table 229.: Personnel Expenditure

Below is a summary of Councilor and staff benefits for the year under review:

Financial year	2010/11	2011/12	
Description	Actual	Original Budget	Actual
<u>Councillors (Political Office Bearers plus Other) R'000</u>			
Salary	3 420	4 650	4 828
Pension Contributions	170	172	144
Medical Aid Contributions	57	69	65
Motor vehicle allowance	1 192	1 630	1 680
Cell phone allowance	246	340	349
Housing allowance	0	0	0
Other benefits or allowances	8	9	0
In-kind benefits	0	0	0
Sub Total	5 094	6 871	7 066
% Increase/(decrease) from 2010/11 to 2011/2012	-	34.88%	38.71%
<u>Senior Managers of the Municipality R'000</u>			
Salaries	4 662	5 641	5 583
Pension Contributions	948	828	801
Medical Aid Contributions	147	169	167
Motor vehicle allowance	427	451	402
Cell phone allowance	126	133	128
Housing allowance	0	0	2
Performance Bonus	0	0	0
Other benefits or allowances	740	112	126
In-kind benefits	0	0	0
Sub Total	7 050	7 334	7 209
% increase	(6.94)	4.03%%	2.26%
<u>Other Municipal Staff R'000</u>			
Basic Salaries and Wages	107 436	109 644	116 931
Pension Contributions	17 968	20 922	19 853
Medical Aid Contributions	6 860	9 810	7 354
Motor vehicle allowance	7 046	7 584	7 897

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Financial year	2010/11	2011/12	
Description	Actual	Original Budget	Actual
Cell phone allowance	595	577	725
Housing allowance	968	1 374	1 023
Overtime	10 485	8 501	12 030
Other benefits or allowances	16 334	18 245	19 388
Sub Total	167 692	176 657	185 201
% increase	0.22	5.35%	10.44%
Total Municipality	179 836	190 862	199 476
% increase	(0.18)	6.13%	10.92%

Table 230.: Personnel Expenditure

Chapter 5: Financial Performance

CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2011/12 financial year.

The municipality takes inflationary pressures into account when tariffs and operational expenditure are budgeted for.

The table below shows the 5 most expensive consultancy arrangements for the 2011/12 financial year:

Consultant arrangement	Cost	Reason for this engagement
Royal Haskoningdhv (SSI Engineers & Env. Consultants)	R5 355934	WWTW upgrade project
Worley Parsons Incorporating KV3 Engineers	R4 683 871	Electricity project
Aurecon	R4 314 389	WWTW project
V & V Consulting Engineers (Pty) Ltd	R3 983 357	Reseal of roads project
Neil Lyners and Associates CC	R2 870 572	Pipe replacement project

Table 231.: 5 Most expensive consultants for 2011/12 financial year

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2011/12 financial year:

Financial Summary						
R' 000						
Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	128 737	135 736	137 536	136 511	0.6%	-0.7%
Service charges	344 977	414 998	408 698	405 670	-2.2%	-0.7%
Investment revenue	6 168	2 620	4 215	9 210	251.6%	118.5%
Transfers recognised - operational	58 384	49 691	37 528	36 301	-26.9%	-3.3%

Chapter 5: Financial Performance

Financial Summary						
R' 000						
Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Other own revenue	69 023	37 205	50 015	27 454	-26.2%	-45.1%
Total Revenue (excluding capital transfers and contributions)	607 290	640 249	637 991	615 146	-3.9%	-3.6%
Employee costs	187 333	189 876	192 537	207 938	9.5%	8.0%
Remuneration of councilors	4 840	6 862	6 724	6 717	-2.1%	-0.1%
Depreciation & asset impairment	106 777	105 115	105 115	103 780	-1.3%	-1.3%
Finance charges	19 373	32 665	31 965	31 727	-2.9%	-0.7%
Materials and bulk purchases	159 923	129 763	127 243	191 514	47.6%	50.5%
Transfers and grants	23 620	25 000	27 000	28 454	13.8%	5.4%
Other expenditure	141 337	239 151	236 820	192 142	-19.7%	-18.9%
Total Expenditure	643 201	728 432	727 404	762 273	4.6%	4.8%
Surplus/(Deficit)	(35 911)	(88 183)	(89 413)	(147 127)	66.8%	64.5%
Transfers recognised - capital	24 085	41 271	37 307	59 121	43.3%	58.5%
Contributions recognised - capital & contributed assets	21 561	9 700	10 038	14 300	47.4%	42.5%
Surplus/(Deficit) after capital transfers & contributions	9 735	(37 212)	(42 068)	(73 705)	98.1%	75.2%
Share of surplus/ (deficit) of associate	0	0	0	0	0.0%	0.0%
Surplus/(Deficit) for the year	9 735	(37 212)	(42 068)	(73 705)	98.1%	75.2%
Capital expenditure & funds sources						
Capital expenditure	154 307	213 971	186 189	163 295	-23.7%	-12.3%
Transfers recognised - capital	24 085	41 271	37 307	59 121	43.3%	58.5%
Public contributions & donations	21 561	9700	10 038	14 300	47.4%	42.5%
Borrowing	86 942	117 000	119 721	73 964	-36.8%	-38.2%

Chapter 5: Financial Performance

Financial Summary						
R' 000						
Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Internally generated funds	21 718	46 000	19 123	15 909	-65.4%	-16.8%
Total sources of capital funds	154 307	213 971	186 189	163 295	-23.7%	-12.3%
Financial position						
Total current assets	211 644	101 904	184 963	210 056	106.1%	13.6%
Total non current assets	3 144 498	3 192 217	3 165 129	3 185 767	-0.2%	0.7%
Total current liabilities	129 879	97 819	108 792	136 076	39.1%	25.1%
Total non current liabilities	344 496	449 223	444 223	451 677	0.5%	1.7%
Community wealth/Equity	2 881 767	2 747 078	2 797 077	2 808 069	2.2%	0.4%
Cash flows						
Net cash from (used) operating	70 968	63 262	44 336	111 845	76.8%	152.3%
Net cash from (used) investing	(111 146)	(171 265)	(123 034)	(151 794)	-11.4%	23.4%
Net cash from (used) financing	80 558	103 841	110 841	96 645	-6.9%	-12.8%
Cash/cash equivalents at the year end	70 004	13 404	102 146	126 699	845.2%	24.0%
Cash backing/surplus reconciliation						
Cash and investments available	71 265	20 377	109 119	132 391	549.7%	21.3%
Application of cash and investments	7 054	(11 102)	(7 584)	9 252	-183.3%	-222.0%
Balance - surplus (shortfall)	64 212	31 478	116 703	123 138	291.2%	5.5%
Asset management						
Asset register summary (WDV)	3 115 187	3 155 070	3 127 982	3 157 126	0.1%	0.9%
Depreciation & asset impairment	106 777	105 115	105 115	103 780	-1.3%	-1.3%
Renewal of Existing Assets	0	0	0	0	0.0%	0.0%

Chapter 5: Financial Performance

Financial Summary						
R' 000						
Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Repairs and Maintenance	58 239	65 220	69 941	64 845	-0.6%	-7.3%
Free services						
Cost of Free Basic Services provided	29 547	32 172	32 172	32 084	-0.3%	-0.3%
Revenue cost of free services provided	29 547	32 172	32 172	32 084	-0.3%	-0.3%
Households below minimum service level						
Water:	0	0	0	0	0.0%	0.0%
Sanitation/sewerage:	0	0	0	0	0.0%	0.0%
Energy:	1	1	1	1	0.0%	0.0%
Refuse:	0	0	0	0	0.0%	0.0%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 232.: Financial Performance 2011/12

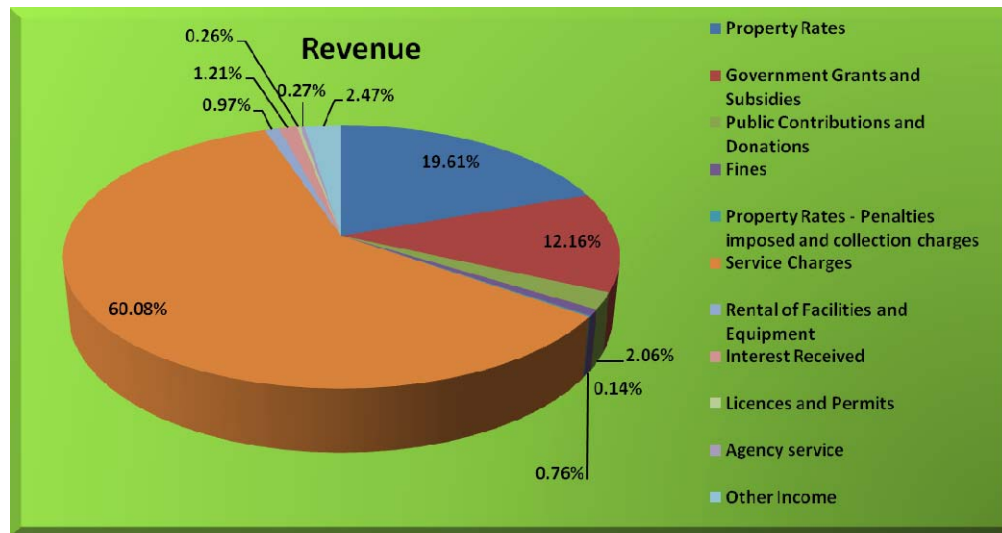
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2010/11	584 660	607 290	(22 631)	3.73%	682 262	643 201	39 060	-6%
2011/12	640 249	615 146	25 103	-4.08%	728 432	762 273	(33 841)	4%

Table 233.: Performance against budgets

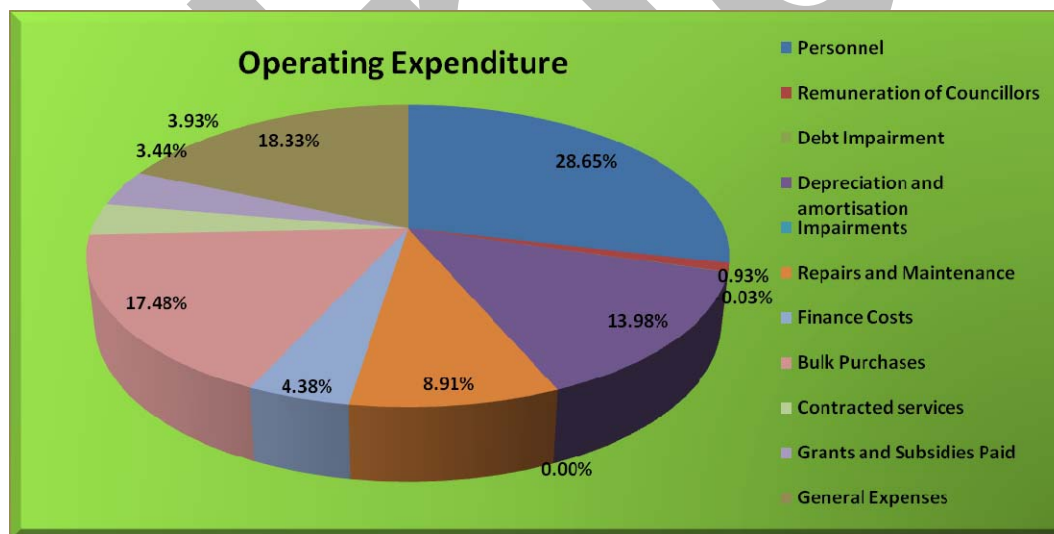
Chapter 5: Financial Performance

The following graph indicates the various types of revenue items in the municipal budget for 2011/12



Graph 21.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2011/12



Graph 22.: Operating expenditure

Chapter 5: Financial Performance

5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote1 - Executive and Council	27 515	32 843	42 117	31 553	-3.9%	-25.1%
Vote2 - Budget and Treasury Office	143 547	149 639	153 779	154 508	3.3%	0.5%
Vote3 - Corporate Services	44 882	12 234	12 958	7 223	-41.0%	-44.3%
Vote4 - Planning and Development	11 911	8 235	12 924	12 065	46.5%	-6.6%
Vote5 - Public Safety	9 337	9 482	11 659	10 048	6.0%	-13.8%
Vote6 - Health	0	0	0	0	0.0%	0.0%
Vote7 - Community and Social Services	1 736	1 754	1 872	2 155	22.9%	15.1%
Vote8 - Sports and Recreation	6 118	7 157	7 282	6 608	-7.7%	-9.3%
Vote9 - Housing	48 848	36 676	16 165	3 965	-89.2%	-75.5%
Vote10 - Waste Management	37 327	40 685	40 870	40 353	-0.8%	-1.3%
Vote11 - Road Transport	2 691	3 208	3 799	3 863	20.4%	1.7%
Vote12 - Waste Water Management	53 541	68 142	59 224	79 357	16.5%	34.0%
Vote13 - Water	76 312	93 689	95 883	111 834	19.4%	16.6%
Vote14 - Electricity	189 093	227 132	226 461	236 595	4.2%	4.5%
Vote15 - Environmental Management	329	344	344	299	-13.1%	-13.1%
Total Revenue by Vote	653 016	691 220	685 337	700 425	1.3%	2.2%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 234.: Revenue by Vote

5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2011/12 financial year:

Chapter 5: Financial Performance

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	128 737	134 818	136 618	136 511	1.3%	-0.1%
Property rates - penalties & collection charges	853	918	918	995	8.4%	8.4%
Service Charges - electricity revenue	183 552	223 307	223 607	224 957	0.7%	0.6%
Service Charges - water revenue	74 099	91 524	87 024	83 909	-8.3%	-3.6%
Service Charges - sanitation revenue	50 381	59 777	57 627	56 883	-4.8%	-1.3%
Service Charges - refuse revenue	36 945	40 389	40 439	39 922	-1.2%	-1.3%
Service Charges - other	0	0	0	0	0.0%	0.0%
Rentals of facilities and equipment	6 532	6 960	6 960	6 732	-3.3%	-3.3%
Interest earned - external investments	3 705	2 620	4 215	6 879	162.6%	63.2%
Interest earned - outstanding debtors	2 463	2 825	2 825	2 331	-17.5%	-17.5%
Dividends received	0	0	0	0	0.0%	0.0%
Fines	5 469	5 641	6 601	5 278	-6.4%	-20.0%
Licences and permits	1 711	1 731	1 731	1 786	3.2%	3.2%
Agency services	1 790	1 835	1 849	1 907	3.9%	3.2%
Transfers recognised - operational	58 384	49 691	37 528	36 601	-26.9%	-3.3%
Other revenue	39 497	18 213	30 049	8 499	-53.3%	-71.7%
Gains on disposal of PPE	13 171	0	0	2 256	0.0%	0.0%
Environmental Protection	0	0	0	0	0.0%	0.0%
Total Revenue (excluding capital transfers and contributions)	607 290	640 249	637 991	615 146	-3.9%	-3.6%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 235.: Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2011/12 financial year:

Chapter 5: Financial Performance

Financial Performance of Operational Services						
R '000						
Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Cost						
Water	(43 936)	(65 680)	(46 644)	(28 798)	-128.07%	-61.97%
Waste Water (Sanitation)	(33 521)	(31 562)	(40 024)	(16 925)	-86.48%	-136.48%
Electricity	(144 453)	(169 984)	(178 198)	(174 836)	2.77%	-1.92%
Waste Management	(45 343)	(35 643)	(37 405)	(37 415)	4.73%	0.03%
Housing	42 597	15 601	9 569	(50 283)	131.03%	119.03%
Component A: sub-total	(265 935)	(287 268)	(292 703)	(270 562)	6.81%	5.05%
Waste Water (Storm water Drainage)	(786)	(3 209)	(3 099)	(2 767)	-15.97%	-12.02%
Roads	(71 935)	(77 658)	(74 971)	(71 852)	-8.08%	-4.34%
Transport	0	0	0	0	0.00%	0.00%
Component B: sub-total	(72 721)	(80 867)	(78 071)	(74 618)	-8.37%	-4.63%
Planning	(15 447)	(23 784)	(25 269)	(26 135)	9.00%	3.31%
Local Economic Development	4 015	636	481	(420)	251.43%	214.48%
Component C: sub-total	(11 433)	(23 148)	(24 788)	(26 555)	12.83%	6.65%
Community & Social Services	(18 892)	(23 634)	(23 082)	(20 411)	-15.79%	-13.08%
Environmental Protection	(5 468)	(5 154)	(4 394)	(4 712)	-9.38%	6.75%
Health	0	0	0	0	0.00%	0.00%
Security and Safety	(18 379)	(19 458)	(18 937)	(21 167)	8.07%	10.53%
Sport and Recreation	(8 869)	(7 148)	(10 974)	(8 766)	18.46%	-25.19%
Corporate Policy Offices and Other	(101 396)	(141 268)	(135 352)	(151 960)	7.04%	10.93%
Component D: sub-total	(153 003)	(196 662)	(192 740)	(207 016)	5.00%	6.90%
Total Expenditure	(461 812)	(587 945)	(588 301)	(616 446)	4.62%	4.57%
<i>In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 236.: Operational Services Performance

Chapter 5: Financial Performance

Total Net Expenditure variance between the original budget and actual was 0.44%. Total Net Expenditure variance between the amended budget and actual was 4.62%.

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	2 212	2 169	8 859	24 434	63.7%
Expenditure:					
Employees	11 453	11 477	11 477	12 794	10.3%
Repairs and Maintenance	3 568	6 486	7 107	6 795	-4.6%
Other	31 127	49 886	36 920	33 643	-9.7%
Total Operational Expenditure	46 148	67 849	55 503	53 233	-4.0%
Net Operational (Service) Expenditure	(43 936)	(65 680)	(46 644)	(28 798)	67.8%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 237.: Financial Performance: Water services

5.2.2 Waste Water (Sanitation)

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	389	7 487	718	21 453	96.7%
Expenditure:					
Employees	10 372	10 897	10 897	11 379	4.2%
Repairs and Maintenance	3 564	3 476	4 500	4 691	4.1%
Other	19 974	24 675	25 345	22 308	-13.6%
Total Operational Expenditure	33 910	39 048	40 742	38 378	-5.3%
Net Operational (Service) Expenditure	(33 521)	(31 562)	(40 024)	(16 925)	102.0%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 238.: Financial Performance: Waste Water (Sanitation) services

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5.2.3 Electricity

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	5 541	3 860	2 854	2 927	2.5%
Expenditure:					
Employees	12 055	13 955	13 955	12 881	-8.3%
Repairs and Maintenance	3 998	4 613	4 707	4 601	-2.3%
Other	133 941	155 276	162 390	160 280	-1.3%
Total Operational Expenditure	149 994	173 844	181 053	177 763	-12.0%
Net Operational (Service) Expenditure	(144 453)	(169 984)	(178 198)	(174 743)	14.5%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 239.: Financial Performance: Electricity

5.2.4 Waste Management

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	133	296	431	159	-171.8%
Expenditure:					
Employees	13 020	13 577	13 577	14 548	6.7%
Repairs and Maintenance	1 162	1 434	1 317	1 284	-2.6%
Other	31 294	20 928	22 942	21 742	-5.5%
Total Operational Expenditure	45 475	35 939	37 836	37 573	-1.5%
Net Operational (Service) Expenditure	(45 343)	(35 643)	(37 405)	(37 415)	-170.3%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 240.: Financial Performance: Waste Management

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5.2.5 Housing

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	48 848	36 676	16 165	3 965	-307.7%
Expenditure:					
Employees	1 796	1 909	1 909	1 966	2.9%
Repairs and Maintenance	199	275	275	272	-1.2%
Other	4 255	18 891	4 412	52 010	-91.5%
Total Operational Expenditure	6 250	21 075	6 596	54 247	93.2%
Net Operational (Service) Expenditure	42 597	15 601	9 569	(50 283)	-400.9%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 241.: Financial Performance: Housing

5.2.6 Waste Water (Stormwater)

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	3 161	878	878	1 321	33.5%
Expenditure:					
Employees	1 383	1 381	1 381	1 387	0.4%
Repairs and Maintenance	588	746	635	619	-2.7%
Other	1 975	1 960	1 961	2 082	5.8%
Total Operational Expenditure	3 946	4 087	3 977	4 088	3.6%
Net Operational (Service) Expenditure	(786)	(3 209)	(3 099)	(2 767)	30.0%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 242.: Financial Performance: Waste Water (Stormwater)

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5.2.7 Roads

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	2 691	3 208	3 799	3 863	1.7%
Expenditure:					
Employees	10 344	11 578	11 578	10 793	-7.3%
Repairs and Maintenance	25 391	24 589	25 374	25 191	-0.1%
Other	38 892	44 700	41 819	39 564	-5.7%
Total Operational Expenditure	74 627	80 866	78 770	75 715	-13.0%
Net Operational (Service) Expenditure	(71 935)	(77 658)	(74 971)	(71 852)	14.7%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 243.: Financial Performance: Roads

5.2.8 Planning

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	4 386	4 035	6 385	6 663	4.2%
Expenditure:					
Employees	12 788	15 991	15 991	14 845	-7.7%
Repairs and Maintenance	277	455	354	317	-11.8%
Other	6 768	11 373	15 309	17 637	13.2%
Total Operational Expenditure	19 833	27 819	31 654	32 798	-6.3%
Net Operational (Service) Expenditure	(15 447)	(23 784)	(25 269)	(26 135)	10.5%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 244.: Financial Performance: Planning

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5.2.9 Local Economic Development

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	7 520	4 200	6 539	5 402	-21.0%
Expenditure:					
Employees	2 427	1 817	1 817	2 300	21.0%
Repairs and Maintenance	45	0	2	0	0%
Other	1 034	1 747	4 239	3 522	-20.4%
Total Operational Expenditure	3 506	3 564	6 058	5 822	0.6%
Net Operational (Service) Expenditure	4 015	636	481	(420)	-21.7%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 245.: Financial Performance: Local Economic Development

5.2.10 Community & Social Services

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	1 736	1 754	1 872	2 155	13.2%
Expenditure:					
Employees	15 851	17 314	17 314	17 664	2.0%
Repairs and Maintenance	2 223	2 565	2 781	2 363	-17.7%
Other	2 554	5 508	4 858	2 540	-91.3%
Total Operational Expenditure	20 627	25 388	24 954	22 567	-107.0%
Net Operational (Service) Expenditure	(18 892)	(23 634)	(23 082)	(20 411)	120.1%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 246.: Financial Performance: Community & Social Services

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5.2.11 Environmental Protection

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	329	344	344	299	-15.1%
Expenditure:					
Employees	3 064	2 847	2 847	3 561	20.1%
Repairs and Maintenance	1 478	1 167	1 238	1 017	-21.7%
Other	1 254	1 484	653	433	-50.8%
Total Operational Expenditure	5 796	5 498	4 738	5 011	-52.5%
Net Operational (Service) Expenditure	(5 468)	(5 154)	(4 394)	(4 712)	37.4%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 247.: Financial Performance: Environmental Protection

5.2.12 Security and Safety

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	9 337	9 482	11 659	10 048	-16.0%
Expenditure:					
Employees	16 560	17 289	17 289	17 833	3.1%
Repairs and Maintenance	1 143	982	1 082	1 163	7.0%
Other	10 013	10 670	12 226	12 218	-0.1%
Total Operational Expenditure	27 716	28 941	30 596	31 214	10.0%
Net Operational (Service) Expenditure	(18 379)	(19 458)	(18 937)	(21 167)	-26.0%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 248.: Financial Performance: Security and Safety

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5.2.13 Sport and Recreation

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	6 118	7 157	7 282	6 608	-10.2%
Expenditure:					
Employees	5 697	6 587	6 587	6 251	-5.4%
Repairs and Maintenance	1 518	1 876	1 785	1 619	-10.3%
Other	7 772	5 842	9 884	7 504	-31.7%
Total Operational Expenditure	14 987	14 305	18 257	15 374	-47.4%
Net Operational (Service) Expenditure	(8 869)	(7 148)	(10 974)	(8 766)	37.2%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 249.: Financial Performance: Sport and Recreation

5.2.14 Corporate Policy Offices & Other

Description	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	86 358	58 940	71 318	56 531	-26.2%
Expenditure:					
Employees	75 363	64 119	67 159	86 454	22.3%
Repairs and Maintenance	13 616	16 557	17 908	14 890	-20.3%
Other	98 776	119 533	121 603	107 147	-13.5%
Total Operational Expenditure	187 754	200 208	206 670	208 490	-11.4%
Net Operational (Service) Expenditure	(101 396)	(141 268)	(135 352)	(151 960)	-14.7%
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 250.: Financial Performance: Corporate Policy Offices & Other

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5.3 Grants

5.3.1 Grant Performance

The municipality had a total amount of **R59 121 473** million for infrastructure and other projects available that was received in the form of grants from the National and Provincial Governments during the 2011/12 financial year. The performance in the spending of these grants is summarised as follows:

Grant Performance						
R'000						
Description	2010/11	2011/12			2011/12 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<u>Capital Transfers and Grants</u>						
National Government:	17 440	20 171	22 174	57 619	185.7%	159.9%
Municipal Systems Improvement	197	0	240	156	0.0%	-35.2%
Municipal Infrastructure Grant	6 631	13 971	13 971	13 971	0.0%	0.0%
Regional Bulk Infrastructure Grant	0	0	0	36 212	0.0%	0.0%
Integrated National Electrification Program	3 639	2 000	2 000	2 000	0.0%	0.0%
Neighbourhood Development Partnership Grant	6 973	4 200	5 963	5 281	25.7%	-11.4%
Provincial Government:	7 230	21 100	14 739	1 502	-92.9%	-89.8%
Library subsidies	27	0	0	0	0.0%	0.0%
Housing	7 154	21 100	13 758	817	-96.1%	-94.1%
Community Development Workers	48	0	0	0	0.0%	0.0%
Housing consumer education	0	0	0	21	0.0%	0.0%
Mobility strategy	0	0	981	664	0.0%	-32.3%
Total Capital Transfers and Grants	24 669	41 271	36 913	59 121	43.3%	60.2%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 251.: Grant Performance for 2011/12

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5.3.2 Conditional Grants (Excluding MIG)

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjusted Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjusted Budget	
Financial Management Grant	1 250	1 250	1 250	0.0%	0.0%	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA) As part of strengthening financial and asset management in municipalities, the grant provides funding for water and energy internship programme to graduates in selected water boards and municipalities
Municipal Systems Improvement Grant	790	790	790	0.0%	0.0%	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation, policies and local government turnaround strategy
Integrated National Electrification	2 000	2 000	2 000	0.0%	0.0%	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply
Neighbourhood Development Partnership Grant	4 200	5 963	5 281	25.7%	-11.4%	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally)
Expanded Public Works	536	536	81	-84.9%	-84.9%	To incentivise municipalities to increase job creation efforts in

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Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjusted Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjusted Budget	
Programme						infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with the Expanded Public Works Programme (EPWP) guidelines
Regional Bulk Infrastructure Grant	0	0	36 212	100.0%	100.0%	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development-with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries
Library subsidy	640	640	640	0.0%	0.0%	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives
Community Development Workers	78	78	78	0.0%	0.0%	To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators.
Housing	36 276	15 276	3 186	-91.2%	-79.1%	To provide funding for the creation of sustainable human settlements
Main Road subsidy	65	65	65	0.0%	0.0%	To subsidise municipalities with the maintenance of proclaimed municipal main roads, where the municipality is the Road Authority, within municipal areas.
Housing Consumer Education Grant	0	0	63	0.0%	0.0%	To inform the community of their rights and responsibilities on becoming homeowners or tenants
Mobility Strategy	0	981	650	0.0%	-33.7%	To develop, implement and promulgate impoundment

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Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjusted Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjusted Budget	
						facilities in accordance with the National Land Transport Act, 2009 (Act 5 of 2009).
Total	45 835	27 579	50 296	9.7%	82.4%	
<i>This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG). Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 252.: Conditional Grant (excl. MIG)

Total conditional grants for the 2011/12 financial year was R50 295 704 (excluding MIG grant and equitable share). The total conditional grants comprises of capital as well as operational grants.

The total conditional operating grants for the 2011/12 financial year was R5 145 231 (excluding equitable share) and the total conditional capital grants for the 2011/12 financial year was R45 150 473 (excluding MIG grant).

The operational transfers and grants finance the operational expenditure portion of the conditions attached the each relevant grant.

Total conditional grants variance between the original budget and actual was 9.7%. Total conditional grants variance between the amended budget and actual was 82.4%. This was due to three factors, namely:

- The RBIG of R36million received towards year end. The RBIG did not form part of the original- and amended budget.
- The housing allocation is on a claim basis even though it appears in the DoRA as a global amount.
- The EPWP grant is incentive based whereby jobs are created and FTE's claimed. The grant is paid prospectively.

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5.3.3 Grants received from sources other than the Division of Revenue Act (DORA)

Details of Donor	Actual Grant 2010/11	Actual Grant 2011/12	2011/12 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Private Sector / Organisations						
WWF Table Mountain Fund Grant	5	240	0	30 April 2013	n/a	Nature conservation
DWAF: ACIP project	850	1 448	3 500	31 March 2013	30 June 2012	Replacement of water meters
CSIR Housing	15 744	1 459	0	n/a	n/a	Housing project
Spaces for Sport	0	270	1 030	n/a	30 June 2012	Recreational purposes
Cleanest Town Competition	240	0	0	n/a	n/a	Cleansing programmes
National Lotto Funds	500	500	0	n/a	n/a	Sport facilities
Eskom SWH Project	0	1 611	0	n/a	n/a	Electricity low cost housing
Informal settlement fire victims	26	0	0	n/a	n/a	Help after event of fire destruction

Table 253.: Grants Received sources other than DORA

5.3.4 Level of Reliance on Grants & Subsidies

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	%
2010/11	82 470	617 340	13.4
2011/12	95 423	695 041	13.7

Table 254.: Reliance on grants

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The following graph indicates the municipality's reliance on grants as percentage for the last two financial years

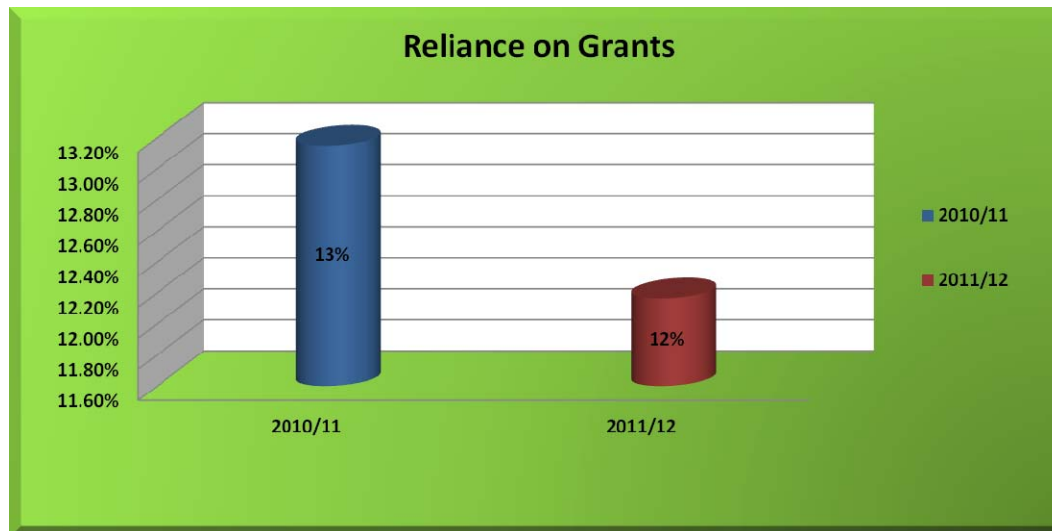


Table 255.: Reliance on grants

Total amount of conditional grants received during the 2011/12 financial year was R50 295 704 (excluding MIG). The total amount of grants received from other sources during the 2011/12 financial year was R5 527 322.

The benefits and conditions from conditional grants and grants received from other sources can be seen in the relevant tables above.

5.4 Asset Management

The objectives of the Asset Management within the Overstrand Municipality are to assist officials in understanding their legal and managerial responsibilities with regard to assets and to ensure the effective and efficient control of the municipality's assets through:

- proper recording of assets from authorisation to acquisition and to subsequent disposal;
- providing for safeguarding procedures,
- setting proper guidelines as to authorised utilisation;and
- prescribing for proper maintenance.

The key elements of the Asset Management Policy represent:

- Statutory and Regulatory Framework / Responsibilities and Accountabilities
- Financial Management / Internal Controls / Management of Control Items

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- Management and Operation Of Assets / Classification & Components
- Accounting for Assets / Financial Disclosure

The Asset Management Section consists of three staff members and forms part of the Expenditure & Asset Management Division within the Finance Directorate.

The costing module on the SAMRAS Management Information System is utilized to cost all new asset components up to completion there-of. This approach was deployed over the past year with great success.

Regular Asset counts are conducted in accordance with the prescriptions of the Asset Management Policy. Information regarding Asset Register updates in respect of disposals, adjustments, review of useful life etc. is based on submissions by user departments in accordance with the procedures in place.

Management envisages that the Asset Register will be hosted on software specifically developed for this purpose (currently on Excel) and more to full adherence to GRAP requirements.

5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	Preekstoel Water Treatment Works Upgrade	
Description	Upgrading of Preekstoel Water Treatment Plant	
Asset Type	Infrastructure	
Key Staff Involved	Hanre Blignaut / Patrick Robinson / Eoudia Chadinha	
Staff Responsibilities	Project Management / Asset Register Compilation	
Asset Value	2010/11	2011/12
	12 093 003	31 463 459
Capital Implications	External Loan / MIG Funding / Regional Bulk Infrastructure Grant	
Future Purpose of Asset	To treat raw water from the De Bos Dam and the three municipal well fields. The Works provide drinking water to the Greater Hermanus area.	
Describe Key Issues	Access to land (farms) for the installation of new bulk water pipelines.	
Policies in Place to Manage Asset	Asset Management Policy	

Table 256.: Summary of Largest Asset

Asset 2	
Name	Hermanus Waste Water Treatment Works Upgrading
Description	Upgrading of the Waste Water Treatment Works at Hermanus
Asset Type	Infrastructure
Key Staff Involved	Hanre Blignaut / Patrick Robinson / Eoudia Chadinha

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Asset 2		
Staff Responsibilities	Project Management / Asset Register Compilation	
Asset Value	2010/11	2011/12
	14 337 045	20 771 781
Capital Implications	External Loans Funding / Regional Bulk Infrastructure Grant	
Future Purpose of Asset	To treat waste water (sewerage) from the Greater Hermanus Area	
Describe Key Issues	Proximity of the works to residential areas	
Policies in Place to Manage Asset	Asset Management Policy	

Table 257.: Summary of 2nd Largest Asset

Asset 3		
Name	Replacement of Overstrand Water Pipes	
Description	Replacing old damaged water pipes in Overstrand	
Asset Type	Infrastructure	
Key Staff Involved	Hanre Bignaut / Patrick Robinson / Eoudia Chadinha	
Staff Responsibilities	Project Management / Asset Register Compilation	
Asset Value	2010/11	2011/12
	0	12 069 961
Capital Implications	External Loan Funding	
Future Purpose of Asset	To reduce the amount of water lost through water pipe bursts and leaks. Also to provide a more reliable water service to the community in terms of less interruptions to the water supply due to pipe bursts.	
Describe Key Issues	Disruption in water supply and inconvenience to residents due to the digging of trenches and installing new house connections.	
Policies in Place to Manage Asset	Asset Management Policy	

Table 258.: Summary of 3rd Largest Asset

All three projects listed above are revenue generating assets and the costs are recovered through tariffs.

5.4.2 Repairs and Maintenance

Description	2010/11	2011/12
	R'000	R'000
Total Operating Expenditure	643 201	762 273
Repairs and Maintenance	58 239	64 845
% of total OPEX	9.1	8.5

Table 259.: Repairs & maintenance as % of total Operating Expenditure

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The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational expenditure



Graph 23.: Repairs & Maintenance vs. Operational Expenditure

The percentage of repairs and maintenance over the total operating expenditure for the 2011/12 financial year was 8.5% (2010/11: 9.1%). The repairs and maintenance expenditure is adequate to maintain existing infrastructure as the municipality embarked on a strategy to replace very old infrastructure over certain number of years.

5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Audited outcome
Current Ratio	Current assets/current liabilities	1.63	1.54
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.53	1.42
Liquidity Ratio	Cash and equivalents/Trade creditors and short term borrowings	1.06	2.33

Table 260.: Liquidity Financial Ratio

Financial year	Net current assets	Net current liabilities	Ratio
	R'000	R'000	
2010/11	211 644	129 879	1.63:1
2011/12	210 056	136 076	1.54:1

Table 261.: Liquidity Financial Ratio

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5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.80	5.83
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	13.6%	12.6%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.50	18.45

Table 262.: Financial Viability National KPAs

5.5.3 Creditors Management

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Audited outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	96%	97%

Table 263.: Creditors Management

5.5.4 Borrowing Management

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Audited outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.5%	6.0%

Table 264.: Borrowing Management

5.5.5 Employee costs

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Audited outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.8%	30.2%

Table 265.: Employee Costs

Overstrand Municipality is still functioning inside the acceptable liquidity norm. The Municipality has a positive liquidity ratio. It increased from 1.06 to 2.33. The Municipality has a positive current ratio. It

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increased from 1.63 to 1.54. Efforts to increase the debt collection rate must stay the main focus area for improving this ratio. The largest contributor to the increase in the current liabilities is the unspent government grants and the consumer deposits.

The creditors' system efficiency increased from 96% to 97%. The cost coverage increased from 3.80 to 5.83. The total outstanding service debtors to revenue decreased from 13.6% to 12.6%. The debt coverage decreased from 27.01 to 18.82. The capital charges to operating expenditure increased from 4.1% to 6.4%. The employee cost over total operating revenue decreased from 26.5% to 18.45%. The repairs and maintenance over total operating expenditure decreased from 9.1% to 8.5%. The ratios indicate a sound financial position.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Analysis of Capital and operating expenditure

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	213 971	186 189	163 295	-31.0%	-14.0%
Operating Expenditure	728 432	727 404	762 273	4.4%	4.6%
Total expenditure	728 432	727 404	762 273	4.4%	4.6%
Water and sanitation	106 898	96 245	91 611	-16.7%	-5.1%
Electricity	173 844	181 053	177 763	2.2%	-1.9%
Housing	21 075	6 596	54 247	61.2%	87.8%
Roads, Pavements, Bridges and storm water	84 953	82 748	79 802	-6.5%	-3.7%
Other	341 662	360 763	358 850	4.8%	-0.5%
External Loans	117 000	119 721	73 964	-58.2%	-61.9%
Internal contributions	46 000	19 123	15 909	-189.1%	-20.2%
Grants and subsidies	41 271	37 307	59 121	30.2%	36.9%
Other	9 700	10 038	14 300	32.3%	29.8%
External Loans	115 000	110 000	110 000	-4.5%	0.0%
Grants and subsidies	90 962	74 835	95 423	4.7%	21.6%
Investments Redeemed	0	0	0	0.0%	0.0%
Statutory Receipts (including VAT)	42 000	37 500	53 887	22.1%	30.4%

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R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Other Receipts	42 000	40 817	21 655	-93.9%	-88.5%
Salaries, wages and allowances	189 876	192 537	207 938	8.7%	7.4%
Cash in bank	13 404	102 146	126 699	89.4%	19.4%
Capital payments	213 971	186 189	163 295	-31.0%	-14.0%
Investments made	0	0	75 000	100.0%	100.0%
External loans repaid	13 159	13 159	14 295	7.9%	7.9%
Statutory Payments (including VAT)	25 000	25 000	24 906	-0.4%	-0.4%
Other payments	40 000	38 973	47 013	14.9%	17.1%
Property rates	134 818	136 618	136 511	1.2%	-0.1%
Service charges	414 998	408 698	405 670	-2.3%	-0.7%
Other own revenue	40 742	55 148	43 137	5.6%	-27.8%
Employee related costs	189 876	192 537	207 938	8.7%	7.4%
Provision for working capital	1 000	1 000	(190)	0.0%	0.0%
Repairs and maintenance	65 220	69 821	64 845	-0.6%	-7.7%
Bulk purchases	129 763	127 243	126 669	-2.4%	-0.5%
Other expenditure	343 572	337 803	362 821	5.3%	6.9%
Service charges: Electricity	223 307	223 607	224 957	0.7%	0.6%
Grants & subsidies: Electricity	2 000	2 394	2 394	16.5%	0.0%
Other revenue: Electricity	1 860	460	533	-248.8%	13.7%
Employee related costs: Electricity	13 955	13 955	12 881	-8.3%	-8.3%
Provision for working capital: Electricity	250	250	(48)	0.0%	0.0%
Repairs and maintenance: Electricity	4 613	4 707	4 601	-0.3%	-2.3%
Bulk purchases: Electricity	129 763	127 243	126 669	-2.4%	-0.5%
Other expenditure: Electricity	25 512	35 147	33 659	24.2%	-4.4%
Service charges: Water	91 524	87 024	83 909	-9.1%	-3.7%
Grants & subsidies: Water	1 822	8 402	17 020	89.3%	50.6%
Other revenue: Water	347	457	7 415	95.3%	93.8%

Chapter 5: Financial Performance

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Employee related costs: Water	11 477	11 477	12 794	10.3%	10.3%
Provision for working capital: Water	250	250	(48)	0.0%	0.0%
Repairs and maintenance: Water	6 486	7 107	6 795	4.6%	-4.6%
Bulk purchases: Water	0	0	0	0.0%	0.0%
Other expenditure: Water	49 886	36 920	33 691	-48.1%	-9.6%

Table 266.: Analysis of Capital and Operating Expenditure

5.7 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2011/12 financial year:

Capital Expenditure - Funding Sources 2010/11 to 2011/12						
R'000						
Details	2010/11	2011/12				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
External loans	86 942	117 000	119 721	73 964	2.33%	-36.78%
Public contributions and donations	21 561	9 700	10 038	14 300	3.49%	47.42%
Grants and subsidies	24 085	41 271	37 307	59 121	-9.60%	43.25%
Other	21 718	46 000	19 123	15 909	-58.43%	-65.41%
Total	154 307	213 971	186 189	163 295	-62.22%	-11.52%
Percentage of finance						
External loans	56.3%	54.7%	64.3%	45.3%	-3.7%	319.3%
Public contributions and donations	14.0%	4.5%	5.4%	8.8%	-5.6%	-411.6%
Grants and subsidies	15.6%	19.3%	20.0%	36.2%	15.4%	-375.4%
Other	14.1%	21.5%	10.3%	9.7%	93.9%	567.8%
Capital expenditure						
Water and sanitation	49 195	88 896	100 960	90 033	13.57%	1.28%
Electricity	32 411	37 505	28 921	30 061	-22.89%	-19.85%

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Capital Expenditure - Funding Sources 2010/11 to 2011/12						
R'000						
Details	2010/11	2011/12				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Housing	7 118	12 250	14 030	817	14.53%	-93.33%
Roads and stormwater	26 085	22 538	7 736	12 754	-65.68%	-43.41%
Other	39 498	52 782	34 542	29 628	-34.56%	-43.87%
Total	154 307	213 971	186 189	163 295	-95.02%	-199.17%
Percentage of expenditure						
Water and sanitation	31.9%	41.5%	54.2%	55.1%	-14.3%	-0.6%
Electricity	21.0%	17.5%	15.5%	18.4%	24.1%	10.0%
Housing	4.6%	5.7%	7.5%	0.5%	-15.3%	46.9%
Roads and stormwater	16.9%	10.5%	4.2%	7.8%	69.1%	21.8%
Other	25.5%	24.7%	18.6%	18.1%	36.4%	22.0%

Table 267.: Capital Expenditure by funding source

Variances on external loans reflect under spending and grants reflect overspending as a result of the amount of RBIG funding received towards the end of the financial year.

The Public Contribution variance is as a result of assets recognised at year end.

The Other variance is due to the reduction of Council funded capital as a result of land sales not materialising.

5.8 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2011/12

Name of Project*	Current Year: 2011/12			Variance Current Year: 2011/12	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
Local Economic Development Projects	5 700	5 942	5 261	8%	-4%
Hawston: 227 RDP Erven Rehabilitate Gravel Roads (MIG)	2 760	3 094	3 094	-12%	-12%
New 66kva Substation - Hermanus	15 000	6 000	5 074	66%	60%
Preekstoel Water Treatment	35 853	46 049	31 627	12%	-28%

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Name of Project*	Current Year: 2011/12			Variance Current Year: 2011/12	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
Works Upgrade					
Hermanus Waste Water Treatment Works Upgrading	25 259	23 923	20 772	18%	5%
<i>Projects with the highest capital expenditure in 2011/12</i>					

Table 268.: Capital Expenditure on the 5 Largest Projects

Name of Project	LOCAL ECONOMIC DEVELOPMENT PROJECTS
Objective of Project	To promote and improve local economic development in municipal area
Delays	None
Future Challenges	(1) Viability of local business, (2) Entrepreneurship - ability to innovate and not copy, (3) Vandalism and community appreciation, (4) Economic viability of communities that can sustain local businesses
Anticipated citizen benefits	The idea is driven by the fact that public investment and funding can be utilized to attract private and community investment for the benefit of the local economy and unlock the social and economic potential within neglected neighbourhoods. This kind of focus is key to improving the quality of life among inhabitants in these areas and address historical backlog responsible for underdevelopment.

Table 269.: Summary of Local Economic Development Projects

Name of Project	HAWSTON: 227 RDP ERVEN REHABILITATE GRAVEL ROADS
Objective of Project	Provision of Services and safe and healthy environment
Delays	none
Future Challenges	Maintenance of infrastructure
Anticipated citizen benefits	Temporary Job creation, alleviation of storm water problems, enhance quality of life of citizens, improve pedestrian safety

Table 270.: Summary of Hawston: 227 RDP Erven Rehabilitate Gravel Roads (MIG)

Name of Project	NEW 66KVA SUBSTATION - HERMANUS
Objective of Project	Extend and Increase the Electricity Supply capacity for the Hermanus area of electricity supply
Delays	None currently. The project has been awarded and is proceeding as per program
Future Challenges	Adjusting the existing electricity network to align with the upgraded and altered position of electricity supply to Hermanus
Anticipated citizen benefits	Increased capacity of electricity supply will allow the addition of complexes such as a shopping mall and additional industry developments

Table 271.: Summary of New 66kva Substation - Hermanus

Name of Project	PREEKSTOEL WATER TREATMENT WORKS UPGRADE
Objective of Project	Extend water treatment capacity for Greater Hermanus and to extend the water treatment plant lifespan
Delays	Appeal on mechanical/electrical tender award - resolved
Future Challenges	Adequate maintenance and operation by adequately skilled and experienced staff

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Anticipated citizen benefits	Sufficient water supply of excellent quality
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Table 272.: Summary of Preekstoel Water Treatment Works Upgrade

Name of Project	HERMANUS WASTE WATER TREATMENT WORKS UPGRADING
Objective of Project	Extend waste water treatment capacity for Hermanus, as well as treatment plant lifespan
Delays	Environmental processes, weather conditions on site
Future Challenges	Adequate maintenance and operation by adequately skilled and experienced staff
Anticipated citizen benefits	Adequate waste water treatment capacity, as well as protection of the environment

Table 273.: Summary of Hermanus Waste Water Treatment Works Upgrading

The variance between the original and adjustment budgets on these projects amount to 1%.

5.9 Basic Service and Infrastructure Backlogs – Overview

The backlogs in the provision of water and sanitation in the informal settlements are the result of the historical migration of people into the area. Infrastructure in the informal settlements is, however, upgraded on a continual basis. The Access to Basic Services (ABS) project initiated by the Department of Human Settlement, aligned with Strategic Objective no. 6 of the Provincial Government, is being implemented. Additional water points and toilets are being provided in these areas to improve the ratio of the provision of services to 1 toilet per 5 households and 1 water point per 25 households (these ratios being the minimum standards nationally). Completion of this project is expected to be May 2013.

5.9.1 Service Backlogs

Households (HHs)				
Description	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	25 310	100	1 425	5.630%
Sanitation	27 419	100	2 555	9.318%
Electricity	0	0	0	0
Waste management	24 364	100	0	0

Table 274.: Service Backlogs

5.9.2 Municipal Infrastructure Grant (MIG)

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This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Municipal Infrastructure Grant (MIG)* Expenditure 2011/12 on Service backlogs					
R' 000					
Details	Budget	Adjust- ments Budget	Actual	Variance	
				Budget	Adjust- ments Budget
Infrastructure - Road transport	3 972	3 972	3 972	0%	0%
<i>Roads, Pavements & Bridges</i>	<i>3 094</i>	<i>3 094</i>	<i>3 094</i>	<i>0%</i>	<i>0%</i>
<i>Storm water</i>	<i>878</i>	<i>878</i>	<i>878</i>	<i>0%</i>	<i>0%</i>
Infrastructure - Electricity	392	392	392	0%	0%
<i>Generation</i>	<i>392</i>	<i>392</i>	<i>392</i>	<i>0%</i>	<i>0%</i>
Infrastructure - Water	8 402	8 402	8 402	0%	0%
<i>Water purification</i>	<i>8 402</i>	<i>8 402</i>	<i>8 402</i>	<i>0%</i>	<i>0%</i>
Infrastructure - Sanitation	318	318	318	0%	0%
<i>Sewerage purification</i>	<i>318</i>	<i>318</i>	<i>318</i>	<i>0%</i>	<i>0%</i>
Other:	887	887	887	0%	0%
<i>Sport Re-creational facility - Swimming pool</i>	<i>887</i>	<i>887</i>	<i>887</i>	<i>0%</i>	<i>0%</i>
Total	13 971	13 971	13 971	0%	0%
<i>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>					

Table 275.: Municipal Infrastructure Grant (MIG)

- 71 Streetlights have been installed as part of the new electrical infrastructure for the housing development in Kleinmond, improving the safety and security of the people. 410 Households benefitted.
- The existing Preekstoel WTW has been refurbished, providing high quality potable water, thus improving the living conditions of the people. 23 890 Households served.
- 1.57 km of Gravel roads have been upgraded to paved roads and associated storm water drainage structures have been installed in Hawston, alleviating storm water problems and the flooding of houses during winter, thereby improving the living conditions of the people. 282 Households served.
- Storm water infrastructure (1.5 km of channels and a 750mm dia pipeline with a length of 1.3km) has been installed for the Housing development in Kleinmond. 410 Households served.

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- In addition to the baby pool and Olympic size pool that was constructed in the previous financial years, a child pool has been constructed in Zwelihle/Mount Pleasant, Hermanus, introducing disadvantaged, young people to swimming, water safe activities and organized water sport activities. 7 496 households served.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.10 Cash Flow

Cash Flow Outcomes				
R'000				
Description	2010/11	2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	522 926	554 032	568 026	604 210
Government - operating	58 146	49 811	38 282	57 111
Government - capital	32 357	41 371	36 973	36 332
Interest	6 168	5 445	7 040	9 210
Dividends	0	0	0	0
Payments				
Suppliers and employees	(510 106)	(529 732)	(547 020)	(546 799)
Finance charges	(19 373)	(32 665)	(31 965)	(31 669)
Transfers and Grants	(23 620)	(25 000)	(27 000)	(28 454)
Net cash from/(used) operating activities	66 499	63 262	44 336	99 941
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	23 447	36 000	56 805	13 722
Decrease (Increase) in non-current debtors	17 137	0	0	2 189
Decrease (increase) other non-current receivables	29	0	0	20
Decrease (increase) in non-current investments	(1 262)	(2 894)	(2 894)	(4 430)
Payments				

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Cash Flow Outcomes				
R'000				
Description	2010/11	2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Capital assets	(150 497)	(204 371)	(176 945)	(163 295)
Net cash from/(used) investing activities	(111 146)	(171 265)	(123 034)	(151 794)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	90 000	115 000	110 000	110 000
Increase (decrease) in consumer deposits	4 469	2 000	14 000	12 844
Payments				
Repayment of borrowing	(9 442)	(13 159)	(13 159)	(14 295)
Net cash from/(used) financing activities	85 027	103 841	110 841	108 549
Net increase/ (decrease) in cash held	40 380	(4 162)	32 143	56 696
Cash/cash equivalents at the year begin:	29 623	17 566	70 004	70 004
Cash/cash equivalents at the yearend:	70 004	13 404	102 146	126 699

Table 276.: Cashflow

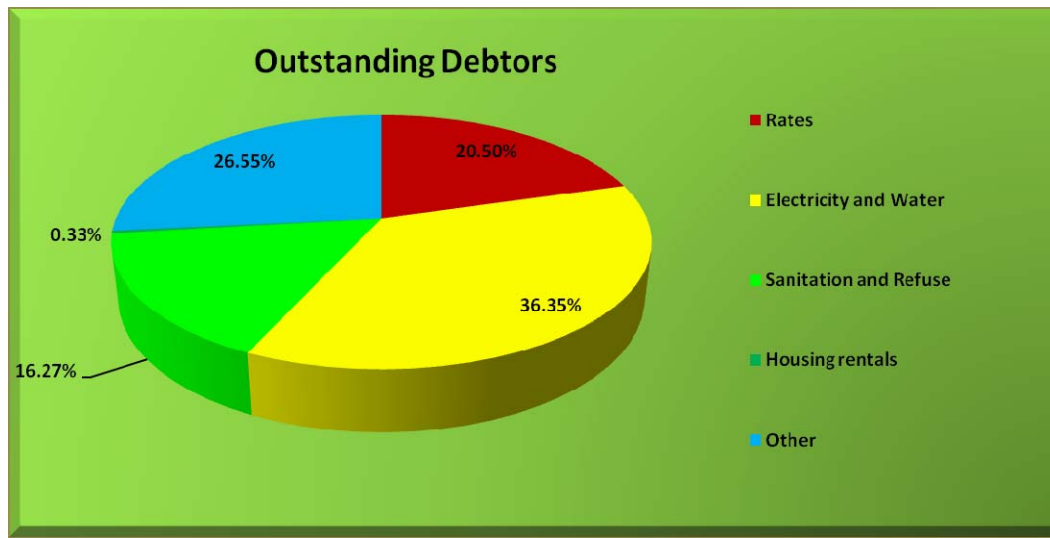
5.11 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2010/11	16 617	29 374	13 154	430	5 079	64 654
2011/12	14 028	24 873	11 135	227	18 171	68 434
Difference	(2 588)	(4 501)	(2 019)	(204)	13 092	3 780
% growth year on year	-15.6%	-15.3%	-15.3 %	-47.4%	257.8%	5.8%
Note: Figures exclude provision for bad debt						

Table 277.: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2011/12

Chapter 5: Financial Performance



Graph 24.: Debt per type of service

5.12 Total Debtors Age Analysis

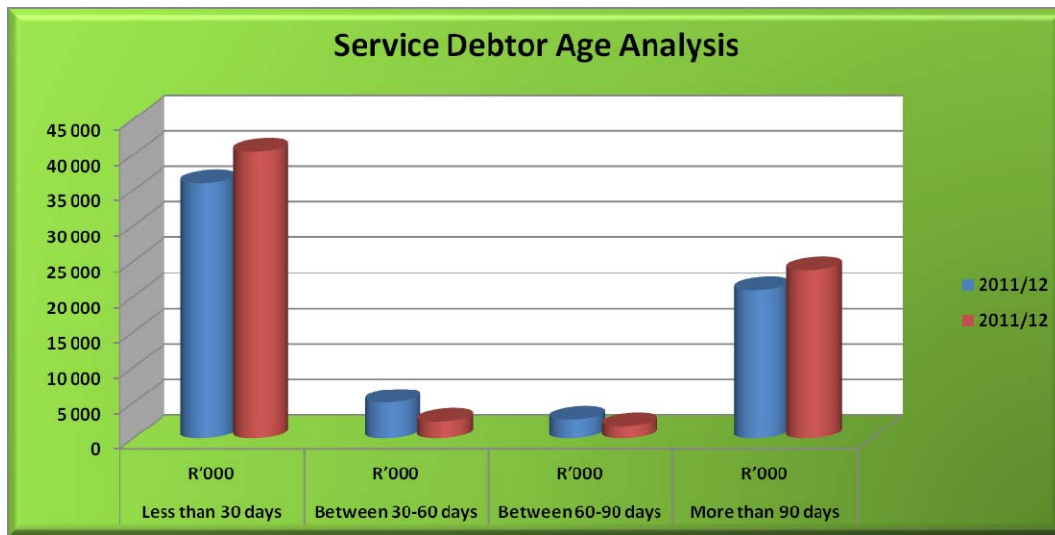
Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2010/11	36 012	5 077	2 672	20 894	64 654
2011/12	40 493	2 411	1 761	23 769	68 434
Difference	4 481	(2 666)	(911)	2 875	3 780
% growth year on year	12.4	(52.5)	(34.1)	13.8	5.8

Note: Figures exclude provision for bad debt.

Table 278.: Service debtor age analysis

Variances between the original budget and the amended budget is as a result of external loans taken up and not fully spent at year end from the R25million RBIG funds received. The consumer deposits increased after the implementation of a new strategy. This can also be attributed to the variances between the actual and the original- and amended budget. The municipality has a positive net cash from operating activities.

Chapter 5: Financial Performance



Graph 25.: Service debtors age analysis for the 2010/11 and 2011/12 financial years

5.13 Borrowing and Investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.13.1 Actual Borrowings

Actual Borrowings 2010/11 to 2011/12		
R' 000		
Instrument	2010/11	2011/12
Long-Term Loans (annuity/reducing balance)	261 299	357 004
Financial Leases	0	998
Total	261 299	358 002

Table 279.: Actual Borrowings

5.13.2 Municipal Investments

Actual Investments 2010/11 to 2011/12		
R'000		
Investment type	2010/11	2011/12
	Actual	Actual
Deposits - Bank	50 000	75 000
Guaranteed Endowment Policies (sinking)	1 262	5 416
Investo Endowment Certificate	0	0
Total	51 262	80 691

Table 280.: Municipal Investments

Chapter 5: Financial Performance

5.13.3 Declaration of Loans and Grants made by the municipality

All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2011/12 R'000	Total Amount committed over previous and future years
Seagull Shellhole (Moths)	Grant-in-aid	None	5	n/a
Overstrand Hospice	Grant-in-aid	None	35	n/a
Camphill School	Grant-in-aid	None	20	n/a
Access for citizens	Grant-in-aid	None	2	n/a
Hermanus Hacking Group	Grant-in-aid	None	20	n/a
Baardskeerdersbos Community development	Grant-in-aid	None	10	n/a
Overstrand Conservation Foundation	Grant-in-aid	None	30	n/a
Old Harbour Museum	Grant-in-aid	None	10	n/a
Overstrand Gemeenskaps Ontwikkeling	Grant-in-aid	None	2	n/a
CANSA	Grant-in-aid	None	50	n/a
Birdlife Overberg	Grant-in-aid	None	20	n/a
Barc Dieresorg Trust	Grant-in-aid	None	20	n/a
Sjechinah Christian Centre	Grant-in-aid	None	10	n/a
Kleinmond Animal Welfare Society	Grant-in-aid	None	10	n/a
Hermanus Botanical Society	Grant-in-aid	None	100	n/a
Hermanus Passiespel	Grant-in-aid	None	5	n/a
Hawston Gesondheid & Welsyn Organisasie	Grant-in-aid	None	20	n/a
Low house-hold subsidies	Indigent grant	Have to comply with certain requirements	28 084	n/a

Table 281.: Declaration of Loans and Grants made by the municipality

Borrowings are incurred to fund infrastructure. Surplus cash is invested in short term instruments. The repayment of certain borrowings is encompassed in sinking funds.

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 GRAP COMPLIANCE

The municipality is 100% GRAP compliant since 2008/09.

Chapter 6: Auditor-General Findings

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2010/11

6.1 Auditor General Report 2010/11

Auditor-General Report on Financial Performance 2010/11	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
<u>Procurement and contract management</u>	
Awards were made to providers whose directors/principal shareholders are persons in service of other state institutions in contravention with the requirements of the Municipal Supply Chain Management (SCM) Regulations, 2005 (GNR. 868 of 30 May 2005), regulation 44. Furthermore the providers failed to declare that they were in the service of the state as required by SCM regulation 13(c).	<ol style="list-style-type: none">1. Processes have been initiated to institute punitive measures against suppliers who perjured themselves by making false declarations as regards their own involvement and/or relationships with persons in the service of the state.2. Engaged with the Provincial Treasury to establish a process for developing a database for use by local authorities in the province containing information relating to persons in the service of the state.
<u>Expenditure management</u>	
The accounting officer did not take all reasonable steps to prevent irregular expenditure, as disclosed in note 41 to the financial statements, as required by Section 62(1)(d) of the MFMA.	Procedures have been implemented to ensure that all irregular expenditure is prevented and detected as far as possible.

Table 282.: AG Report on Financial Performance 2010/11

Auditor-General Report on Service Delivery Performance: 2010/11	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
There were no non-compliance issues reported by the Auditor-General for the 2010/11 financial year as stated in the audit report as follows: "Based on my work described in this report, nothing has come to my attention that causes me to believe that the selected strategic objectives set out in the annual performance report is not fairly stated, in all material respects, in accordance with the predetermined criteria."	

Table 283.: AG Report on Service Delivery Performance 2010/11

COMPONENT B: AUDITOR-GENERAL OPINION 2011/12

6.2 Auditor General Report 2011/12

Auditor-General Report on Financial Performance 2011/12	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken

Chapter 6: Auditor-General Findings

Auditor-General Report on Financial Performance 2011/12	
<p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, provisions and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.</p>	<p>The internal control deficiency identified was inadequate review of the annual financial statements due to the timing of the finalisation of related transactions and processes.</p> <p>In order to ensure that this does not re-occur, identified processes will be performed on a quarterly basis in order to identify, prevent and correct possible misstatements timeously. Additional robust review processes will be implemented prior to the finalisation and submission of the annual financial statements.</p>
<p>An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.</p> <p>Note: These issues of non-compliance as reported by the Auditor-General have been corrected prior to the conclusion of the audit.</p>	<p>The internal control deficiency identified was inadequate review of the asset register due to the timing of the finalisation of related transactions and processes.</p> <p>In order to ensure that this does not re occur, identified processes will be performed on a quarterly basis in order to identify, prevent and correct possible misstatements timeously. Additional robust review processes will be implemented prior to the finalisation of the asset register.</p>

Table 284.: AG Report on Financial Performance 2011/12

Auditor-General Report on Service Delivery Performance: 2011/12	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
<p>There were no non-compliance issues reported by the Auditor-General for the 2011/12 financial year as stated in the audit report as follows:</p> <p>Based on my work described in this report, nothing has come to my attention that causes me to believe that the selected strategic objectives set out in the annual performance report is not fairly stated, in all material respects, in accordance with the predetermined criteria.</p>	

Table 285.: AG Report on Service Delivery Performance 2011/12

Abbreviations

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework